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Central Eurasia

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Central Eurasia

FBIS-SOV-96-144 *25 July 1996*

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CIS: ITAR-TASS Carries Press Review for 25 Jul

LD2507055496 Moscow ITAR-TASS in English 0540 GMT 25 Jul 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, July 25 (Itar-Tass) — Follows a review of Thursday's Moscow-based Russian newspapers dated July 25.

ROSSIYSKAYA GAZETA on government reorganisation.

The newspaper carries an interview with Vladimir Babichev, Chief of Staff of the Russian government, who belives that the forthcoming government reorganisation will probably result in an enlargement of some departments.

ROSSIYSKAYA GAZETA on plans of the State Commission on Chechnya.

The newspaper runs an interview with Sergey Stepashin, the Commission's Executive Secretary. He points out that three working groups have been set up: a political one, headed by Federation Council Speaker Yegor Stroyev, a military one headed by General Mikhail Kolesnikov, Chief of Russia's General Staff, and an economic one headed by First Vice-Premier Oleg Lobov.

Stepashin complains that, despite a Presidential Order, no funds are being assigned for the rehabilitation of Chechnya.

At the same time, Stepashin said State Duma Speaker Gennadiy Seleznev had assured him that he would manange to settle the problem durign the formation of next year's budget.

SEVODNYA on Russia's regional elections planned for autumn and winter.

The newspaper runs an article about the forthcoming electiosn in the Subjects of the Federation — regions and republics — which are due to be held in autumn and winter this year.

If most of the incumbent regional administration chiefs retain their posts, that would signify a stabilisation of the political system for the next several years, the newspaper emphasises.

The newspaper is of the opinion that the authorities and the opposition "have almost equal chances to win at regional elections".

IZVESTIYA on the appointment of former Soviet Parliament Speaker Ruslan Khasbulatov to head a group of advisers to the delegation of Chechen separatists at the talks with Moscow.

The appointment is commented upon by the newspaper's analytical centre.

The newspaper supposes that the resumption of Khasbulatov's activities is aimed at "weakening the positions of the Groznyy-based authorities whose activity has not been undermined by separatists' terrorist acts staged in recent months".

KRASNAYA ZVEZDA on Russian Defence Minister Igor Rodionov.

The newspaper reports that the Minister "is taking charge of the Defence Ministry, inspecting the Command Headquarters of the Armed Services, and considering carefully the state of affairs at the local level".

ROSSIYSKIYE VESTI runs the texts of treaties on the delimitation of powers between the State power bodies of Russia and Subjects of the Federation — Sakhalin, Irkutsk, Tver, Omsk, and Rostov regions.

TRUD on the recent fuel crisis in Russia's Maritime Territory in the Far East.

The newspaper observes that the recent fuel shortage in Maritime Territory makes one wonder whether the fuel and energy sector of the country is prepared to brave the forthcoming winter.

Minister of Fuel and Power Yuriy Shafranik is of the opinion that "the sector will cope with the assigned task". The Minister said Russian Prime Minister Viktor Chernomyrdin has taken a decision on creating "State reserves for regions which are vulnerable from the power supply adequacy point of view".

Newspapers give an extensive coverage to sports events at the current Summer Olympic Games in Atlanta.

CIS: Central Asian Countries Meet in Bishkek To Discuss Refugees

LD2507070896 Moscow ITAR-TASS in English 0636 GMT 25 Jul 96

[By Alisher Niyazov]

[FBIS Transcribed Text] BISHKEK July 25 (Itar-Tass) — Officials from foreign ministries and "power ministries" (the defence ministry, the interior ministry and the security service) of Central Asian countries meet in Bishkek, capital of Kyrgyzstan, today to attend a two-day seminar, organised by the office of the U.N. High Commission for Refugees and the Kyrgyz Foreign and Interior Ministries. They will discuss problems of regional security, connected with the uncontrollable migration of refugees, specifically from the war-stricken Tajikistan, Kyrgyz Foreign Ministry spokesman Uran

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Botobekov told Tass. Participants in the seminar are going to work out a common approach to the establishment of state control over the migration processes, which are growing in scope in Central Asia, and to resolve practical problems connected with the rendering of legal, financial and humanitarian assistance to the refugees.

According to Botobekov, there are 40,000 refugees in Kyrgyzstan alone, mostly from the neighbouring Tajikistan. The flow of refugees grows on its own and is not controlled by anybody, he continued. Along with the growth of the number of refugees, the problem of drug trafficking and arms smuggling from Tajikistan is getting more and more acute in Kyrgyzstan. All this is evoking serious concern of the leaders of Kyrgyzstan and of other Central Asian countries. The problem should be discussed within the framework of the overall refugees problem and Central Asia, and special consultations should be held, Botobekov said.

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Russia: All CIS Presidents To Attend Yeltsin's Inauguration

LD2407124496 Moscow INTERFAX in English 1225 GMT 24 Jul 96

[FBIS Transcribed Text] MOSCOW, July 24 (Interfax) — The heads of all of the member-states of the Commonwealth of Independent States have agreed to attend Russian President Boris Yeltsin's inauguration to be held on Cathedral Square in the Kremlin on August 9, First Deputy Foreign Minister Boris Pastukhov told the commission organizing the ceremony.

The commission meeting in Moscow Wednesday was chaired by Yuriy Yarov, just appointed presidential deputy chief of staff.

The CIS leaders will start arriving in Moscow on the evening of August 8, Pastukhov said.

Furthermore, 101 foreign ambassadors accredited in Moscow have announced their intention to attend the ceremony, he said.

A total of 160 ambassadors and 20 officials from international organizations will attend, Pastukhov said.

Russia: Salzburg Forum Seen Ignoring NATO Expansion Issue

MM2407135896 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 96 p 7

[Report by Vasiliy Andreyev: "Only NATO Better Than NATO?..."]

[FBIS Translated Text] Salzburg-Vienna — A World Economic Forum has been held in Salzburg, with heads of state and government from Central and East European countries plus business representatives and central bank chiefs taking part.

Particular attention has been given to this event from the very beginning because it is the first representative meeting of European heads of state and government since the Russian presidential election. And, to my mind, that is not the only reason why the political aspect has overshadowed economic considerations. Of course, specialists in the business sphere discussed their problems with their colleagues, and financiers shared their optimistic forecasts, but, needless to say, the plenary session on the subject of regional security — "Is there an alternative to NATO?" — was of great interest. The West's position is common knowledge: expanding the bloc to include East European countries, primarily Poland, Hungary, the Czech Republic, and the Baltic states of Latvia, Lithuania, and Estonia. Moscow has reasonably objected that bringing NATO military structures closer to Russia's borders, reducing the flight time for missiles and aircraft, and locating the NATO bloc's electronic intelligence-gathering system in direct proximity certainly do nothing to boost confidence between NATO and Russia.

There was an interesting question from the auditorium during the discussion of this subject: "If neither NATO nor Russia sees the other as an enemy, could Russia become a full NATO member?" But nobody got a direct answer.

After the discussion ended I spoke with Vice Chancellor Wolfgang Schuessel, Austrian foreign minister, who was very optimistic about the discussion and happy that "nobody sees any enemies in Europe."

Nonetheless, NATO is expanding eastward....

Russia: Seleznev Addresses Nicaraguan National Assembly

LD2507093896 Moscow ITAR-TASS in English 0742 GMT 25 Jul 96

[By Pavel Kuzvetsov]

[FBIS Transcribed Text] MANAGUA, July 25 (Itar-Tass) — Russia is prepared to use its potential of influence in support of the possibility of the pursuance of independent sovereign policies by Latin American countries, State Duma Speaker Gennadiy Seleznev said in his remarks at a session of the National Assembly (parliament) of Nicaragua here on Wednesday. The State Duma delegation, led by Seleznev, is currently in Nicaragua on an official visit.

"By intensifying efforts concerning the Latin American aspect of Russia's foreign policy, we proceed from the assumption that Latin America is not an arena of superpower rivalry," Seleznev added.

"Russia attentatively follows the process of the rethinking of the concept of security in the western hemisphere and regard with understanding the Latin Americans' approach in favour of the indivisibility of security and emphases on political and socio-economic levers to ensure it," Seleznev said.

The State Duma Speaker said that one may be gratified to note constructive changes that have come about in the development of the situation in Central America. Although not everything runs smoothly there yet after long years of armed conflicts and instability, a stage of the consolidation of the peace process, the strengthening of democratic institutions and economic recovery is manifest.

"Russia, which actively participated in the international sponsorship of the peace process in Central America is

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prepared to continue to render assistance in this respect to countries in the region," Seleznev emphasised.

Russia: Seleznev: Moscow May Write Off Bulk of Nicaragua's Debt

LD2507105196 Moscow ITAR-TASS in English 1039 GMT 25 Jul 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MANAGUA, July 25 (Itar-Tass) — With a favourable development of events, an intergovernmental protocol on writing off the bulk of Nicaragua's debt to Russia may be signed already this year, State Duma Speaker Gennadiy Seleznev told a press conference here on Wednesday [24 July]. A State Duma delegation, led by Seleznev, is currently in Nicaragua on an official visit.

According to various estimates, Nicaragua's debt to Russia amounts to 3,000 million - 4,000 million U.S. dollars. The two countries' government commissions, which work on a solution to the issue, have found a form for the repayment of the debt, Seleznev said.

It is supposed that this will be done with due regard for Nicaragua's hard economic position without forgeting Russia's economic interests, the State Duma Speaker said. Neither is it ruled out that an appropriate protocol will be signed before October's presidential and parliamentary elections in Nicaragua, he added.

The Russian delegation is leave Nicaragua on Friday and begin an official visit to Cuba.

Russia: Duma Speaker Leads Russian MPs' Delegation to Cuba

LD2507100296 Moscow ITAR-TASS in English 0928 GMT 25 Jul 96

[FBIS Transcribed Text] MEXICO CITY, 25 Jul (Itar-Tass) — The purpose of the Russian parliamentary delegation's visit to Cuba is to strengthen relations with the Cuban side, State Duma Speaker Gennadiy Seleznev told journalists on Thursday on the eve of his departure by air from Nicaragua to Havana.

"We are confident that the Russian MPs' visit to Havana will serve the further development of the two countries' parliamentary contacts, which have always been close and strong," Seleznev said.

The State Duma Speaker admitted that there had been a chill in relations between Cuba and Russia at government level for several years, but that a certain progress was observed in interstate relations of late.

"At present, our contacts are of a businesslike and constructive nature, which arises from the long-standing friendly ties that used to bring the former Soviet Union and Cuba close together," the Russian delegation leader pointed out.

Russia: Russia Offers Land Lease on Disputed Kuril Islands

OW2407124396 Tokyo KYODO in English 0924 GMT 24 Jul 96

[FBIS Transcribed Text] Yuzhno-Sakhalinsk, Russia, July 24 KYODO — Russia is planning to lease land on the disputed islands of Kunashiri and Shikotan for development projects with domestic and foreign investments, a senior official of the Sakhalin provincial government's southern Kuril district said Wednesday.

The official said in an interview with a local newspaper that the plan is aimed at attracting domestic and foreign investments for developing the islands with a prospect of future privatization of the land.

The official said the islands, which are part of four islands that Japan calls its Northern Territories, are Russian territories, and that the Russians have a right to freely dispose of their own assets.

The official voiced expectations that Japan will "get the right message" and embark on joint development on the islands, throwing away its "political ambitions."

Russia has no law to allow sales of land, and most of the land on the two islands will be leased on condition of future purchase, the official said.

For Japan, the privatization scheme could become a major obstacle in its efforts to get back the four islands, which also include Etorofu and the Habomai group of islets.

The islands, located northeast of Japan's northern main island of Hokkaido, were seized by the former Soviet Union at the end of World War II, and Tokyo has long been demanding their return.

Following Russian President Boris Yeltsin's reelection last month, both sides agreed to hold subcabinet-level talks in the fall to discuss the nagging territorial dispute, which has prevented both sides from concluding a peace treaty and developing full-fledged economic ties.

In May, Yeltsin signed an agreement with the Sakhalin government awarding it the right to enact its own regulations in areas not covered by national legislation.

The islands are apparently taking advantage of that agreement as Russia does not have a land law.

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Russia: Foreign Ministry To Send Humanitarian Aid to DPRK

LD2407122696 Moscow ITAR-TASS in English 1201 GMT 24 Jul 96

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, July 24 (Itar-Tass) — Russia is ready to render humanitarian aid to North Korea, which is facing food shortages as a result of destructive floods in 1995, an informed source in Russia's Foreign Ministry told Itar-Tass on Wednesday.

According to him, the aid will mainly consist of foodstuffs. Russia's Ministry for Emergencies will be in charge of its organisation. According to preliminary information, 200,00 U.S. dollars worth of goods will be airlifted to North Korea on the planes of the ministry.

The UN experts believe that in 1996-1997 North Korea will continue to suffer food shortages. Last year, Russia had to render humanitarian aid to the country twice, delivering in North Korea rice, blankets and tents. Earlier in the year, Russia's Interior Ministry top official said he did not rule out that in case a "critical situation" developed in North Korea, Russia would also make fuel deliveries to the country.

Russia: Islamic Organization Threatens Russians in Morocco

LD2407142696 Moscow ITAR-TASS World Service in Russian 1320 GMT 24 Jul 96

[By ITAR-TASS correspondent Vadim Lagutin]

[FBIS Translated Text] Rabat, 24 Jul — Additional measures are being taken at the Russian Federation's embassy in Rabat to ensure the safety of the personnel of Russian organizations working in Morocco. The reason for taking emergency action of this sort are the threats received by the embassy from a previously unknown Islamic organization, the "Dar al-Islam [Arabic for 'House of Islam'] Western Front." This group threatens to start reprisals against Russian citizens who it considers to be "participants in the Judeo-Christian plot against Muslims in the Caucasus."

The appropriate agencies of the Kingdom of Morocco are carrying out a thorough investigation into the matter of threats made by the Islamic organization.

Russia: No 'Demarches' Planned Over NATO Exercise in Poland

MM2407144796 Moscow IZVESTIYA in Russian 24 Jul 96 pp 1, 3

[Feature comprising reports by Boris Lysenko and Konstantin Eggert under the general heading "NATO Heading East on Tank Tracks. At the Head of the Column Is General Montgomery"]

[FBIS Translated Text] [Lysenko report] Berlin — This week's sensation is provided by a news story which appeared in the press here — NATO tank columns are crossing the Oder. NATO is moving East on tank tracks.

For the first time since the war a NATO country — Britain, to be precise — has leased an enormous territory east of the Oder for exercises and maneuvers. Britain's 7th Tank Brigade is to force the Oder in the early morning of 1 September this year — the anniversary of the day that World War II began — and then advance 90 km east into the heart of Polish territory.

The man placed in charge of this highly complex crossing of the Oder (which will involve over 1,000 tanks and other hardware and 3,500 soldiers) is 44-year old Brigadier General David Montgomery. His tank brigade, presently stationed in the German Land of Lower Saxony, has been ordered to head for Poland's Drawsko national park. Obviously the British military are not interested in the flora and fauna of the nature reserve. It turns out that what is waiting for the NATO tank crews in the middle of the national park is the 400-square-km Drawsko Pomorskie military training ground. The general himself is going on reconnaissance in August on the eve of the Oder crossing operation.

Experts note that there is nowhere else in the world where NATO can conduct maneuvers and exercises on such vast territories so cheaply. However, no one apart from the military themselves and the Polish authorities know at the moment what price Poland is getting for its test range. The only thing that is known, for example, is that one day of maneuvers in the Canadian prairies will cost the organizers 2.9 million German marks. But Poland offered a special rate, and after this the NATO military men are hoping that U.S. and French columns will soon follow the British tank brigade across the Oder.

As far as is known, Gen Montgomery is hoping that after the maneuvers his tank brigade will be redeployed from Lower Saxony to Poland and will spend several years there waiting for other NATO partners to arrive. [end of Lysenko report]

The Russian Foreign Ministry has known for quite a long time about the lease of the Polish test ground for training the North Atlantic alliance's armored units, although Smolensk Square is not planning any demarches in this connection, a well-informed Russian diplomat told our correspondent Konstantin Eggert.

"We are viewing this decision by the Polish Government in the general context of the preparation by Rus-

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sia's eastern neighbors for full-scale cooperation with NATO," our interlocutor said. "Every time our side begins talking about the eastward expansion of the bloc's infrastructure, our Central European colleagues explain that they will do everything to demonstrate to NATO their ability to be full-fledged members of this alliance."

Russia: Tank Gift 'Locking' Bulgaria Into Russian Arms Market

MM2407143596 Moscow IZVESTIYA in Russian 24 Jul 96 p 3

[Report by Boris Vinograadov: "Armored Gift to Slavs"]

[FBIS Translated Text] Russia has made an expansive gesture toward Bulgaria. Out of generosity, or rather out of surplus stock, it has made the Bulgarian Army a gift of 100 T-72 tanks and the same quantity of APCs.

The first batch of free machines has already been delivered by sea to the Black Sea port of Varna, where it was gratefully received by the local military. Vladimir Nikanorov, deputy chief of the Russian Defense Ministry Information Directorate, who watched and indeed took part in this ceremony, told us that the Bulgarians, who actually put forward the gift initiative, greeted the Russians enthusiastically. Andrey Kokoshin, Russian Federation first deputy defense minister, expressed confidence that these tanks would reliably serve the cause of ensuring the Bulgarian people's security and would help to strengthen stability on the European continent. The combat-capable T-72s continued their journey to their deployment locations with Bulgarian crews on board.

We asked: What suddenly prompted Russia's altruism here, and would it not have been better to sell these vehicles to the benefit of the state treasury? The military department's experts explained that philanthropy of this kind is widely practiced in the West in those countries which have been forced to reduce their arsenals under the CFE treaty. For example, the U.S. Army once used the same maneuver to transfer several hundred machines to Turkey and Greece which in exchange undertook to destroy the same quantity of their old hardware. The FRG Government has transferred quite a few tanks to other European countries.

It is obvious that partners are chosen according to the principle of "helping a friend." In this regard Russia is lagging somewhat behind the West and took a long time to choose its friends. Generally speaking we have already fulfilled the CFE Treaty: We have already turned 3,188 tanks and 5,419 APCs into scrap metal. There have been several requests for gifts, but so far we have only chosen Bulgaria, as have told the Disarmament Committee in Geneva.

The sale of the hardware is not prohibited, but the economists calculated that the pre-sale preparation (repairs, parts, and technical servicing) would cost so much that Russia would be selling at a loss. This way we have strengthened friendship with a "fraternal Slav people" and disposed of some surplus equipment at the same time. Bulgaria has undertaken to pay the transport costs. Presumably the spare parts problem will be resolved on a commercial basis. Weapons dealers are saying that Russia is thus locking Bulgaria into its market and the free tanks will play the role of a "Trojan horse."

Russia: Arms Gift Shows 'Fraternal' Ties With Bulgaria

MM2407151096 Moscow KRASNAYA ZVEZDA in Russian 24 Jul 96 p 3

[Report by Russian Federation Defense Ministry Information Directorate: "Russian Combat Equipment for Bulgaria"]

[FBIS Translated Text] A celebratory ceremony marking the beginning of the transfer of 100 T-72 tanks and 100 infantry fighting vehicles [IFV's] to the Bulgarian Forces was held at the Bulgarian city of Varna's sea port.

Russia is handing over the combat equipment to Bulgaria free of charge within the framework of military-technical cooperation between the two countries and the Treaty on Conventional Armed Forces on Europe (CFE). Russia is handing over the armored vehicles as part of those to be destroyed under the treaty. This does not contradict the document's provisions, since the country receiving the equipment is scrapping an equal number of weapons and thus the quotas set by the treaty are not being exceeded.

Bulgarian Defense Minister Dimitur Pavlov and Russian First Deputy Defense Minister Andrey Kokoshin took part in the ceremony marking the combat equipment's transfer.

"The traditions of mutual respect and fraternal friendship linking our peoples have deep historical roots," Kokoshin said in connection with the Varna ceremony. "This event has graphically demonstrated the inviolability of fraternal mutual relations between our peoples and states and between the Russian and Bulgarian Armed Forces. The tanks and IFV's which have become part of the Bulgarian Army's effective combat strength will reliably serve the cause of ensuring the Bulgarian people's lasting security and the cause of maintaining peace and stability on the European continent."

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Russia: Russia-Belarus Parliamentary Assembly Set Up

MM2407111996 Moscow ROSSIYSKAYA GAZETA in Russian 20 Jul 96 p 11

[Unattributed report "On the Results of the First Session of the Parliamentary Assembly of the Community of Russia and Belarus (Smolensk, 25 June 1996)"]

[FBIS Translated Text] The first session of the Parliamentary Assembly of the Community of Russia and Belarus was held 25 June 1996. At this session:

1. Semen Georgiyevich Sharetskiy, chairman of the Supreme Soviet of the Republic of Belarus, was elected chairman of the Parliamentary Assembly of the Community of Russia and Belarus.

2. Gennadiy Nikolayevich Seleznev, chairman of the Russian Federation Federal Assembly State Duma, was elected first deputy chairman of the Parliamentary Assembly of the Community of Russia and Belarus.

3. Sergey Nikolayevich Baburin, deputy chairman of the Russian Federation Federal Assembly State Duma, and Aleksandr Viktorovich Kozyr, chairman of the Subcommittee for CIS Affairs of the Republic of Belarus Supreme Soviet Commission for International Affairs, were elected deputy chairmen of the Parliamentary Assembly of the Community of Russia and Belarus.

4. To support the Assembly's activity six standing commissions of the Parliamentary Assembly of the Community of Russia and Belarus were formed:

The Commission for Legal and Procedural Questions of the Parliamentary Assembly of the Community of Russia and Belarus

Yelena Borisovna Mizulina, deputy chairman of the State Duma Committee for Legislation and Judicial and Legal Reform, was elected chairman of this commission

Valeriy Adamovich Novak, secretary of the Republic of Belarus Supreme Soviet Commission for Legislation, was elected deputy chairman;

The Commission for Economic Policy of the Parliamentary Assembly of the Community of Russia and Belarus

Georgiy Ivanovich Tikhonov, chairman of the State Duma Committee for CIS Affairs and Relations With Compatriots, was elected chairman of this commission

Vasiliy Mikhaylovich Shlyndikov, chairman of the Republic of Belarus Supreme Soviet Commission for Economic Policy and Reforms, was elected deputy chairman;

The Commission for Social Policy and Cultural and Humanitarian Questions of the Parliamentary Assembly of the Community of Russia and Belarus

Anatoliy Yegorovich Gushenkov, deputy chairman of the Federation Council Committee for CIS Affairs, was elected chairman of this commission

Vladimir Leonidovich Belyakov, chairman of the Republic of Belarus Supreme Soviet Commission for Health Care, Physical Culture, and Sport, was elected deputy chairman;

The Commission for Foreign Policy Questions of the Parliamentary Assembly of the Community of Russia and Belarus

Petr Kuzmich Kravchenko, chairman of the Republic of Belarus Supreme Soviet Commission for International Affairs, was elected chairman of this commission

Aleksandr Aleksandrovich Tyagunov, deputy chairman of the State Duma Committee for CIS Affairs and Relations With Compatriots, was elected deputy chairman.

The Commission for Security, Defense, and the Fight Against Crime of the Parliamentary Assembly of the Community of Russia and Belarus

Viktor Konstantinovich Burak, member of the Republic of Belarus Supreme Soviet Commission for National Security, Defense, and the Fight Against Crime, was elected chairman of this commission

Nikolay Sergeyevich Stolyarov, deputy chairman of the State Duma Committee for International Affairs, was elected deputy chairman.

The Commission for Ecology and the Use of the Natural Environment of the Parliamentary Assembly of the Community of Russia and Belarus

Mariya Nikolayevich Khudaya, chairman of the Republic of Belarus Supreme Soviet Commission for Ecology and Use of the Natural Environment, was elected chairman of this commission

Aleksandr Ivanovich Zabeyvorota, deputy chairman of the Federation Council Committee for the Affairs of the North and Numerically Small Peoples, was elected deputy chairman.

5. In this way the Parliamentary Assembly of the Community of Russia and Belarus formed its Council of 10 persons (in accordance with the Standing Orders of the Parliamentary Assembly of the Community of Russia and Belarus the following are ex officio members of the Council: the chairman of the Parliamentary Assembly of the Community of Russia and Belarus and his deputies, and also the members of the standing

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commissions of the Parliamentary Assembly of the Community of Russia and Belarus), with five members from each parliamentary deputation.

6. In accordance with the agenda of the session of the Parliamentary Assembly of the Community of Russia and Belarus temporary standing orders of the Parliamentary Assembly of the Community of Russia and Belarus were adopted, Vladimir Aleksandrovich Aksenov was confirmed as senior secretary of the Parliamentary Assembly of the Community of Russia and Belarus, the size of the Secretariat was limited to 32 persons, and a permanent site for the working organs of the Parliamentary Assembly of the Community of Russia and Belarus and its apparatus was determined in the city of Moscow.

7. The session of the Parliamentary Assembly of the Community of Russia and Belarus adopted appropriate resolutions on the creation of a program to elaborate priority model legislative acts in 1996-1997 and to elaborate a model legislative act defining the equal status of citizens of Russia and Belarus within the Community of Russia and Belarus.

8. The Council of the Parliamentary Assembly of the Community of Russia and Belarus was instructed to form a draft agenda for the next session of the Parliamentary Assembly of the Community of Russia and Belarus and to determine where it is to be held. It is planned to hold the next session in October of this year.

Russia: Paper Warns Against 'Undue Optimism' Over Tajik Accords

MM2407122196 Moscow KRASNAYA ZVEZDA in Russian 23 Jul 96 p 3

[Report by Vitaliy Strugovets: "The Guns Fell Silent at Noon.... Will It Last Long? At the Inter-Tajik Talks the Sides Have Agreed on a Cease-Fire and the Exchange of Prisoners"]

[FBIS Translated Text] Despite the pessimistic forecasts of many observers and the extremely difficult atmosphere surrounding the Ashgabat meeting (at the same time fighting was continuing between government troops and opposition detachments in Tajikistan's Tavildarinskiy Rayon), stage three of round five could be called one of the most productive. The sides reached agreement on two of the three questions on the agenda. The armed confrontation line was defined and agreement was reached on the exchange of prisoners. Despite the considerable concessions of the government delegation, which proposed among other things the legalization of opposition parties in the republic and the inclusion of their leaders in the Republic of Tajikistan Government, problems pertaining to a political settlement were unfortunately not resolved. This is most probably not because the opposition disagreed in principle with official Dushanbe's proposals but because it wanted to be sure that the Republic of Tajikistan leadership's intentions are serious and because it needed to consult with all the United Tajik Opposition leaders.

But let us return to the accords. According to the opposing sides' joint statement, "combat actions and other hostilities within the country, specifically in the Tavildara zone and on the Tajikistan-Afghanistan border, are to cease" at 1200 hours on 20 July. The sides' armed forces are to remain in their present positions. This means that the contact line between the government troops and the United Tajik Opposition detachments will now run along the Obikhingou River as far as Yezgand village (7-8 km west of Tavildara) before "veering" sharply northeast toward Tadzhikabad. However, this boundary will not remain the contact line for long. In the near future UN military observers are going to enter this region: They are to separate the opposing sides and establish a 10-km security cordon between them.

As for the exchange of prisoners of war, this is scheduled for 20 August in Khorog, the administrative center of Gornyy Badakhshan Autonomous Oblast. The principle of the exchange is that it is to be phased and equal in quantity. The lists containing 239 government prisoners of war and 244 detained opposition supporters have already been handed over by the sides to the representatives of the International Red Cross Committee.

Nevertheless, in our view, the results of the Ashgabat meeting should not be viewed with undue optimism. Let us recall that the sides have exchanged prisoners of war before, and the cease-fire agreement signed in October 1994 and extended regularly since then has been violated a number of times. Hardly had the ink dried this time too than the news agencies were reporting that opposition gunmen fired on a Republic of Tajikistan transport helicopter in Tavildarinskiy Rayon 21 July.

There is no letup in the opposition's propaganda war either. At the end of last week United Tajik Opposition leaders issued a statement alleging that a Russian military assault had been made in Khaburabad pass (5 km north of Kalay-Khumb on the Dushanbe-Khorog road). As we were told at the CIS Collective Peacekeeping Forces in Tajikistan press center, "there were and are no Russian troops" in Khaburabad pass. "The CIS contingent has never intervened and is not intervening in events in Tavildarinskiy Rayon."

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The press center's statement notes that the Collective Peacekeeping Forces command views such conjecture by the opposition leaders as an attempt to discredit the Collective Peacekeeping Forces, which are "strictly abiding by the mandate issued by the CIS Heads of State Council," in other words, they are assisting border troops in the protection of the state border, the protection of national economic installations, and the escort of humanitarian aid freight.

But the opposition's interest in the pass is perfectly understandable: The government troops stationed there are preventing the transfer of opposition detachments from Gornyy Badakhshan into Tavildara along the Dushanbe-Khorog route.

Russia: Security Service Refuses To Comment on Spy Reports

LD2507102896 Moscow INTERFAX in English 0940 GMT 25 Jul 96

[FBIS Transcribed Text] MOSCOW, July 25 (Interfax) — Russia's Federal Security Service (FSB) will not comment on mass media reports stating that the employee of Russia's Foreign Ministry arrested this spring on charges of spying for Great Britain is one Platon Obukhov, acting Head of the FSB Public Relations Center Aleksandr Zdanovich told INTERFAX Thursday [25 July].

"We do not confirm and do not refute the information which has appeared in the mass media on this case," he said.

"The investigation of a Russian citizen for espionage is being continued," Zdanovich said. "More detailed information may be presented only after the investigation advances and law enforcement bodies deem it possible to present information," he said.

The Russian Foreign Ministry refused to present any official information. "Now we are solving the issue of how to react to the leak of information and whether to react or not," a top-ranking official from the ministry told INTERFAX.

The case is considered closed, was the short answer of a representative of the British Embassy in Moscow in response to INTERFAX request to comment on "Platon Obukhov's case" made public by the mass media.

Meanwhile, other sources in the Foreign Ministry and FSB confirmed information that the name of the Russian citizen accused of espionage is in fact Platon Obukhov.

He is a career diplomat. He worked in the Russian Foreign Ministry before his detention and had good prospects for the future, according to his colleagues.

Obukhov is from a family of a Foreign Ministry employee. He father, Aleksey Obukhov, is a prominent expert on America who occupied the post of USSR Deputy Foreign Minister between 1990 and 1992.

Obukhov was Russian ambassador in Denmark until this May, when the espionage scandal broke out. Formally he is still ambassador to this day, because even if a signed presidential decree on his dismissal exists, it has not been made public. The instruction on Obukhov senior's return to Moscow was also not made public, although it has been fulfilled, a diplomat told INTERFAX in Moscow.

"A father cannot answer for his son and we feel sorry for Obukhov, purely humanly, because he was an honored diplomat with great merits in the service of the Fatherland," a source in the Russian special services told INTERFAX.

Obukhov was twice awarded the Order of Labor Red Banner, in 1986 and 1988. He received the second order due to the conclusion of an agreement on medium- and small-range missiles with the United States. While ambassador at large of the USSR Foreign Ministry in 1986-1989, Obukhov headed a Soviet delegation in the negotiations with the United States to create centers on reducing the nuclear threat and then at the negotiations on nuclear and space arms.

Sources in the Russian special services said Obukhov junior was arrested when he made contact "with the center" and completely recognized his guilt after the detention.

As a result, Moscow decided to declare four employees of the British Embassy persona non grata who, according to Russian special services, were maintaining contacts with the arrested Obukhov. In response, Great Britain expelled four Russian diplomats from London on the basis of "the principles of parity."

Initially it was supposed that nine employees of the British Embassy for whom Russian special services had "corresponding dossiers" would leave Moscow. However, the parties reached a compromise as a result of several days contacts.

British officials repeatedly reassured the public that "this event would not affect Russian-British relations in any form."

Russian Foreign Minister Yevgeniy Primakov demonstrated almost the same reaction. Russia would not like this incident to affect relations with Great Britain at state level, he told Interfax.

Platon Obukhov worked in the Foreign Ministry North America Department before his detention at a rank no

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lower than second secretary, sources in the Russian Foreign Ministry told INTERFAX.

Obukhov is 28 years old. He entered the State Moscow Institute for International Relations after school. He started to work in the USSR Consulate in Spitzbergen (Norway) in the fifth year of his studies.

Having worked there for some time, he returned to Moscow and tried to receive a diploma. But he failed and returned to Spitsbergen. "The issue of the diploma and the final exams was solved somehow," said one of the sources who knew Obukhov during his student years.

Obukhov was transferred from the USSR Consulate in Spitsbergen to the Russian Embassy in Oslo.

According to one of Obukhov's student friends, he "was an excellent student and has always been prominent."

"Platon is a clever and undoubtedly literate but rather individual man," the sources said. "Once upon a time he stood up at a Communist Party meeting in the institute and said he did want to be a diplomat and wanted to be a journalist on international affairs."

However, this was a period, the source said, when the struggle against the powers-that-be was in full sway against the backgorund of a wave of changes in the nation, and there existed an unofficial instruction not to take sons of top-ranking diplomats into the Foreign Ministry. Obukhov's father headed the USSR delegation on negotiations on disarmament with the United States at that time.

Obukhov really went in for journalism and even had his articles printed in Western editions. Later, he started co-operating with the Sovetsky Sport newspaper publishing articles on billiards.

The fact that Obukhov was sent to work on Spitsbergen, not a "prestige" posting by the standards of the Foreign Ministry, can be probably explained by the struggle against the dynasties within the Foreign Ministry.

People who knew Obukhov told INTERFAX that they were greatly surprised by the information that Obukhov was working for a foreign intelligence service.

"It's difficult to imagine that Platon could take such a step. In any case there was no impression that he was a man capable of betrayal," said one of them.

However, Obukhov once complained to his close friends that "he was under pressure from a financial problem," the source said.

Russia: Russian, French Special Services Fighting Organized Crime

LD2507104596 Moscow ITAR-TASS in English 1018 GMT 25 Jul 96

[FBIS Transcribed Text] MOSCOW, July 25 (Itar-Tass) — Tighter cooperation between the special services of Russia and France and the participation of the chief of the Russian Federal Security Service (FSB) in the G-8 ministerial level meeting in Paris were discussed by FSB chief Nikolay Kovalev and French Ambassador Pierre Morel in Moscow today.

The special services of the two countries are already cooperating in the struggle against international organised crime and today's meeting in Moscow was crowned with "the achievement of mutual understanding concerning all the questions discussed," the FSB public relations centre reported after the meeting.

The French Ambassador and FSB chief "expressed readiness to continue cooperation of the special services of the two states" in this important field.

Nikolay Kovalev is expected to take part in the G-8 conference on combatting terrorism, which will bring together security ministers from the world's eight leading industrialised countries in Paris on July 30.

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Political Issues

Russia: Commentary Views Strengths of Yeltsin's Possible Successors

LD2407124696 Moscow ARGUMENTY I FAKTY in Russian
No. 30, Jul 96 p 2 (Signed to Press 23 Jul 96)

["Commentaries" Report by Aleksey Venediktov: "President Yeltsin's Successors"]

[FBIS Translated Text] In the last edition of ARGUMENTY I FAKTY, we discussed the geometry of power; how the newly elected president was building a polygon of government; how new, unexpected centers of influence were being formed; and the spheres that their influence were being assigned.

But what will happen if, for some reason, we are faced with the problem of mid-term presidential elections? What if we are left face-to-face with a so-called popular-patriotic bloc, which is also well organized? People who are prepared to defend the cause started by B. Yeltsin must prove themselves now. These are — V. Chernomyrdin, Yu. Luzhkov, A. Lebed and, partly to one side, G. Yavlinskiy.

Naturally each of the non-communist successor candidates is trying to move his people closer to the president. Not to isolate him or to win him over to their side. But so that they can switch the entire system of executive power over to themselves at the necessary moment.

V. CHERNOMYRDIN

In connection with this, the appointment of A. Chubays as head of administration and the president's chief aide arouses the most interest. Whose man is he? To whom is he allied? Even before the first round of the election, Yegor Gaydar, the leader of the party to which A. Chubays belongs, lobbied on Chernomyrdin's behalf in all kinds of ways. A. Chubays, when he earlier left the government, called V. Chernomyrdin "the greatest liberal" remaining in the government. And at the time A. Chubays was dismissed, the premier spoke only well of him.

It is quite evident that a link is developing today between the two "Ch-s": Chernomyrdin and Chubays.

G. YAVLINSKIY

Everything depends on the capacity in which he manages to get into the government and where he places his people. If he gets his hands on a key department like the Finance Ministry, then he may have a substantial influence on the economy. But it is unlikely that economic life will improve radically under him and G. Yavlinskiy will most probably start to be associated with failure. So his fate is to gather the democratic opposition around him.

Thus, a serious battle for the succession to B. Yeltsin lies ahead, between strong and worthy personalities, each of whom may stand against a Communist candidate. But it is possible that we will see an attempt to reach a proper agreement between them all. Chernomyrdin — as possible president; Yu. Luzhkov — as premier; A. Lebed — as the strongman; and G. Yavlinskiy in some other capacity.

A. LEBED

Lebed has, he thinks, very successfully had his candidate appointed as defense minister. But this is not much. He is an individual, and a self-taught individual, who came to power without a serious team. At the moment it consists of his friends and entourage from the 14th Army and the remainder of the Congress of Russian Communities. A. Lebed's first steps show that he is not yet able to establish the necessary "vehicle" of power. It is quite possible that I. Rodionov will not be his minister. There are reports that B. Yeltsin was already considering I. Rodionov when he sacked P. Grachev. And Lebed was not next to the president at that point.

YU. LUZHKOV

The mayor of Moscow is a charismatic leader. And the elections in the capital showed that he has no equal in organizational matters. But Yu. Luzhkov has not yet succeeded in moving anyone into the president's entourage. He recently put forward the mayor's administrator of affairs, V. Shakhnovskiy, for the post of head of the president's administration. A draft decree was prepared in his name, but the president made a different choice. In so doing, he made it clear to Yu. Luzhkov that his dispute with Chubays was not yet over.

THE PRESIDENT

Yeltsin understands this situation very well and accepts it. But as a master of the balancing act, he can take a completely unexpected step.

And the president should be taken seriously. It would be stupid to believe the stories that he signs appointments without looking carefully at the details. Boris Nikolayevich is healthier in mind and firmer of memory than many young people.

The elections showed that the people "approve" of the president. This means that civic peace has come to the country, despite Chechnya, prices, and so on. We have come out of the spin. The threat of civil war — and there was a threat — came to nothing because in this election the people recognized the new political system.

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Russia: Yeltsin To Play Deng Xiaoping Role in New Administration

LD2407144296 Moscow ARGUMENTY I FAKTY in Russian No. 30, Jul 96 (signed to Press 23 July 1996) p 2

[Article by Dmitriy Osinin: "July Maneuvers," under the rubric "Information Received"]

[FBIS Translated Text] The changes President Yeltsin intends to make in the administration of the state will possibly turn out to be more radical than has been expected until now. The number of ministries and state committees will be reduced from 88 to 20-25. The number of deputy prime ministers responsible for them will also be reduced: from nine to four.

It is more or less known that Aleksandr Livshits, Viktor Ilyushin, Oleg Lobov, and possibly Vitaliy Ignatenko will definitely become deputy prime ministers.

A number of departments that are now independent will lose the status of federal services or ministries and will become departments within other services or ministries. This applies, for example, to the Federal Customs Service, which will either return to the bosom of the Ministry for Foreign Economic Relations, where it was located under Soviet power, or, what is more probable, will be transferred to the Federal Border Service.

The power ministries will be subjected to certain changes. A decision has already been taken to set up a Defense Council, the secretary of which, according to some reports, will be the president's former aide for issues of national security, Yuriy Baturin. (According to other reports, he will head the directorate for strategic planning, which will be specially created under him)

One of the projects envisages returning the Federal Border Service to the structure of the Federal Security Service. Another option is joining it to the Defense Ministry, something of which General Grachev had dreamed.

An Intelligence Association [razvedyvatelnoye soobshchestvo] will be set up to coordinate intelligence activity. It will include representatives of the Foreign Intelligence Service, the main intelligence directorate of the General Staff, the Federal Security Service, and possibly several other departments. General Vyacheslav Trubnikov, the current director of the Foreign Intelligence Service, will most probably be asked to head the intelligence association.

There are not yet any reports about whether the internal security bodies will undergo a similar restructuring: the Ministry of Internal Affairs, the Federal Security Service, the tax police, the Ministry for Emergency Situations, and so on. It is obvious that both the Defense Council and the Intelligence Association will be subordinate to the Security Council.

In the assessment of well-informed individuals, there is no single department which needs to be put strictly in order as much as the president's administration. It has been torn apart for many months now by scandals, most of which do not reach the public.

Even the most highly placed officials in the administration are convinced that their telephone conversations are being tapped. This is why the "custom" has recently emerged behind the Kremlin walls of composing brief documents (sometimes only five or six lines) without the traditional addressee and signature, which are then sent to between two and five destinations and are immediately destroyed after they have been read. And the recipient of the document can only guess who it was from by indirect signs.

In confidential conversations, representatives of the administration say that in time, the president's role will be similar to the role Deng Xiaoping has played in China during the last decade. At the same time, the role of Yeltsin's daughter, Tatyana, will be enhanced. She heads a special analytical center and will play a linking role between her father and the president's administration.

Whatever happens, it may be stated with confidence that Yeltsin's second presidential term will differ substantially from his first. Let us hope, for the better.

Russia: Yeltsin Rejects Law on Consumer Cooperatives

LD2407191696 Moscow ITAR-TASS World Service in Russian 1208 GMT 24 Jul 96

[FBIS Translated Text] Moscow, 24 Jul — Russian President Boris Yeltsin has rejected the federal law "On making amendments and additions to the Russian Federation law on consumer cooperatives in the Russian Federation," which was adopted by the State Duma on 21 June this year and approved by the Federation Council. This was stated by the head of state in a message addressed to State Duma Chairman Gennadiy Seleznev and Federation Council Chairman Yegor Stroyev.

The document, the text of which ITAR-TASS has received from the head of state's press service, says in particular that "Article 1 of the federal law on making amendments and additions to the Russian Federation law on consumer cooperatives in the Russian Federation declares that the given federal law is being adopted in connection with the adoption of the Civil Code of the

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Russian Federation. However the contents of the federal law under consideration not only do not accord in many respects with the norms of the Civil Code of the Russian Federation but are often directly at variance with these norms."

Boris Yeltsin considers that "the conceptual structure of the Russian Federation law on consumer cooperatives (consumer societies and their unions) in the Russian Federation and also the procedure for setting up and abolishing consumer societies are contrary to the Civil Code of the Russian Federation."

In addition, in the head of state's view, the federal law contains a number of other shortcomings and "has internal contradictions and technical errors."

Russia: Zyuganov: Meeting With Chernomyrdin 'Useful'

LD2407163596 Moscow ITAR-TASS in English 1609 GMT 24 Jul 96

[FBIS Transcribed Text] Moscow, 24 Jul (Itar-Tass) — Russian Communist Party leader Gennadiy Zyuganov said that his Wednesday's meeting with Prime Minister Viktor Chernomyrdin was of a planned character and useful.

Speaking at a press conference at the State Duma headquarters, Zyuganov said that they discussed a wide range of political, economic, financial and organisational problems.

Next week Chernomyrdin will meet representatives of the faction of the Communist Party and communists-heads of the Duma committees. During the meeting, they intend to discuss the legislative activities of the Duma and issues connected with the oncoming approval of a candidature of a head of the government.

Zyuganov noted that the discussion of the problems concerning the formation of the government, would be continued in the communist faction and the popular patriotic bloc.

"We propose that he who will be assigned to form the Cabinet, should set forth a conceptual approach to economic problems, and a report by the premier contained clear assessments of the situation," he said.

"Only after the main directions of a new government are stated, communists and the popular patriotic bloc will be ready to consider its attitude towards it," Zyuganov said.

In reply to a question by Itar-Tass, he stressed that an attitude of representatives of the popular patriotic bloc to the possibility of the participation in the government would be determined by its political line and its possible composition, and "whether the interests of 30 million electors who voted for the popular patriotic coalition were taken into account."

Russia: Chernomyrdin Comment on Personnel Changes

LD2407121296 Moscow Russian Television Network in Russian 1000 GMT 24 Jul 96

[Video report by correspondent M. Lillevyali; from the "Vesti" newscast]

[FBIS Translated Text] [Correspondent M. Lillevyali] According to Viktor Chernomyrdin, the new government has partly preserved its continuity with the present Cabinet of Ministers. However, the prime minister declined to name the possible contenders for ministerial portfolios.

[Begin recording] [Chernomyrdin] The process interests you, does it?

[Unidentified man] Yes, very much so.

[Chernomyrdin] I must say that the process is not very pleasant. It is a question of people and, on the whole, about the state in general: how we are to advance further in our cause; how we are to step up the pace of the economy. [end recording]

[Lillevyali] The prime minister noted in particular that the government's market-economy policy would be maintained.

[Begin recording] [Chernomyrdin] We have made mistakes [nakhomutali]. Yes, we have made mistakes. Excuse me for using the word. Decisions have to be made more quickly and we should not be afraid of those decisions. [end recording]

[Lillevyali] Viktor Chernomyrdin did not rule out the possibility that the new cabinet would include representatives of various groups in the Duma.

[Begin recording] [Chernomyrdin] Our government is of one color. The left-wing bloc is changing too, incidentally. [end recording]

Russia: Zhirinovskiy Comments on Government Composition

LD2407121796 Moscow INTERFAX in English 1152 GMT 24 Jul 96

[FBIS Transcribed Text] MOSCOW, July 24 (Interfax) — Russia's renewed government must be a one-party Yeltsin-Chernomyrdin government, Liberal Democratic Party of Russia [LDPR] leader Vladimir Zhirinovskiy told a press conference in Moscow Wednesday.

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He said he "cannot play Travkin's role" in this government (Nikolay Travkin, now State Duma deputy from the Our Home is Russia faction, was a minister without portfolio in the government — IF).

However, he said representatives of the LDPR "could head any ministry or take posts of deputy ministers."

Asked how the LDPR faction would vote for the Yeltsin-presented candidacy of prime minister, Zhirinovskiy said "it will be clear 15 minutes before the vote."

Zhirinovskiy's press conference was started with an hour delay. Head of the LDPR faction press service Viktor Filatov explained this by Zhirinovskiy's meeting with Prime Minister Viktor Chernomyrdin. However, Zhirinovskiy himself refuted this information. He refused to explain the reason of the delay or to present his apologies to journalists.

Russia: Interview With Aleksander Lebed

MS2507101196 London FINANCIAL TIMES in English 25 Jul 96 p 19

[Report on interview with Russian Security Council Secretary Aleksander Lebed, by Chrystia Freeland: place not given; 24 Jul]

[FBIS Transcribed Text] When an obscure provincial general, attracted 11 million votes and came third in the first round of Russia's presidential elections in June, many observers were shocked. But it came as no surprise to the former maverick officer who promptly pledged support for Mr Yeltsin in return for the chairmanship of the Security Council, one of the Kremlin's most powerful posts.

A broad-shouldered giant who prides himself on his military economy with words, Mr Aleksander Lebed is possessed of a somewhat mystical streak when it comes to his own destiny. The country's most famous paratrooper says his overnight emergence as Russia's security tsar — and his healthy chance of being elected the country's next president — is a matter of fate.

"I am a fatalist, I am convinced that what is written at a man's birth will come to pass," Mr Lebed said in an interview yesterday. "And, to put it mildly, I have been present at all the decisive moments in our country's life — in Afghanistan, in Azerbaijan, in Georgia, on the two occasions when I led military drives into Moscow... Now it is time for me to bring order, to make our state a real state, to make it civilised and respected."

Not everyone shares Mr Lebed's serene confidence that his rise to power is part of heaven's plan to save Russia. In the five weeks since the maverick officer burst on to the political scene, western and Russian observers have swung wildly between approbation and suspicion.

They seem to, have settled on the view that the career soldier is still an immature politician whose beliefs and behaviour cannot yet be predicted. And many observers have begun to predict that the gruff officer will soon be destroyed by the crafty Kremlin politicians who elevated him in the first place.

Mr Lebed is determined to disappoint them. In his trademark growl, he says: "I think I am my own creation. If others wish to pretend otherwise, that is their problem."

As for his ability to survive the infamous intrigues of the Kremlin, he insists: "Don't worry, I feel totally comfortable where I am. I can talk to everyone."

Yet at the same time he readily agrees that many of the Kremlin's more long-standing inhabitants wish him ill.

"A large number of enemies always makes a real man more attractive, and of course I have them," said Mr Lebed, whose offices can be reached only after passing through three security checkpoints and who is further protected by hand-picked personal guards. "There is misunderstanding, there is opposition, there is animosity. I have been a commander long enough to know for certain that you can never be liked by everyone."

The hostility is so great that Mr Lebed muses: "I could be blown up by a bomb, I could be killed by a bullet, the main thing, first of all, is to survive." He takes a deep drag on the Marlboro Light cigarettes which he smokes compulsively through an imported cigarette holder designed to filter out most of the toxins.

Pressed for details of his enemies, Mr Lebed demurs. "What you want me to list their surnames? I have to work with these people."

At the bustling offices of the Security Council work seems to be the first order of the day. Instead of the surly lethargy which characterises most of the Russian bureaucracy, Mr Lebed's headquarters buzz with an urgency which is frankly military. The former general's time-keeping is precise and his aides bound across the corridors when summoned to meetings.

When Mr Lebed joined the Kremlin team last month, he was hailed as the saviour of Russian democracy whose popular appeal would help President Boris Yeltsin secure a victory over the communists. But the outspoken retired general swiftly alienated many of his enthusiastic early supporters.

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A description of Mormon missionaries as "mould and scum" and the off-hand use of the word "Jew" as a derogatory epithet earned him immediate rebukes from Mr Bill Clinton, the U.S. president, Mr Victor Chernomyrdin, the Russian prime minister, and a bevy of other critics.

It was perhaps predictable: the former general first attracted the media spotlight to his remote garrison in Moldova on the Romanian border two years ago by describing Mr Yeltsin as a "minus" and praising Chile's General Augusto Pinochet. But Mr Lebed is quickly learning self-restraint. He has apologised to the religious faiths he casually insulted and he was careful yesterday to balance a reference to the Russian Orthodox Church with a respectful allusion to "the other traditional confessions of our land".

Although he and his subordinates are focusing on political survival in the unfamiliar confines of the Kremlin, Mr Lebed is happy to talk about the political philosophy which he hopes to become powerful enough to implement. He had a brief fling in the spring with the emphatically liberal, free-market policies favoured by his campaign aides, many of whom were seconded from the Yeltsin camp to bolster his challenge at the expense of the ultra-nationalist Mr Vladimir Zhirinovsky. But the former general has returned to the tough but pragmatic nationalism which has been his credo since he began to defy Moscow's top brass.

Beneath the sometimes erratic public outbursts which have earned Mr Lebed a reputation as ideologically difficult to pin down, he has been a surprisingly firm proponent of the idea that Russia must again be made strong. But perhaps surprisingly, he is not opposed to the eastward expansion of the NATO military alliance. Although he thinks it is unwise from the west's point of view, he says it should be a matter of indifference to Russia.

"Personally I am calm about this issue," he says. "Maybe others want to be more propagandistic, but I think that Russia simply cannot be aggressive any more. We have exhausted our appetite for wars. We do not want to fight any more."

And if NATO is foolhardy enough to build further defences against the Russian paper tiger, Mr Lebed has no objections.

"Russia is not planning to fight anyone. Truly this is so. And so this mighty NATO fist is being developed to do battle with the air," he says

On the campaign trail, Mr Lebed took a similarly pragmatic line on Chechnya, where the war against separatist fighters has dragged on for more than 18 months and claimed more than 40,000 lives. He then argued that the country should be allowed to leave the Russian federation if its people voted to do so in a national referendum.

But today, Mr Lebed, who may be given responsibility for ending the Chechen war, says he must fall in with Kremlin policy of continuing the battle. His earlier views were those of a presidential candidate.

"But I did not become president and instead became a government official," he says. "So to a certain extent I must step away from my earlier convictions. You cannot join an administration and pursue your own personal ideas."

On economic issues, which Mr Lebed is hoping to claim as at least partially coming under his broadly defined mandate to oversee national security, the former general is less footsure. On one hand he insists "you don't need to reject the very idea of reform, the idea of reforms is good, the idea is strategic." But on the other, he is very gloomy about the conditions to which Russia's reformist economic managers have reduced the country.

"One fine day not very far off we risk a social revolt, and the ruins of that revolt will bury everything good we have done in every sphere," he says.

"The entire government is sitting on its suitcases, waiting for the new cabinet to be announced; the president's aides have all resigned; the president himself is on holiday only 60 per cent of planned taxes are being collected; there is a very serious decline in production. If we do not begin to take energetic steps, we can expect a major economic crisis in the autumn."

This is hardly the view of a unstintingly loyal Yeltsin subordinate — and a sign that Mr Lebed is still willing to express his own robust thoughts.

He is also one of the only men bold enough to break with the official incantation — dutifully chanted by everyone from Al Gore, the U.S. vice-president recently in Moscow, to the Russian premier — that Russia's president is working as vigorously as ever. Instead, Mr Lebed says his boss "feels a certain moral exhaustion, a moral, emotional and psychological exhaustion". The former general worries that the Russian state will be left rudderless while Mr Yeltsin recuperates.

Mr Lebed says he has a "very business-like, very serious" relationship with Mr Yeltsin. And as an outsider, Mr Lebed will depend on the president's patronage to build up an independent position in the Kremlin and to withstand the inevitable assaults of other would-be successors, including Mr Chernomyrdin and Mr Yuri Luzhkov, the mayor of Moscow.

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Yet as he waits on destiny's next turn, Mr Lebed cannot help but compare his own post-election vigour with the malaise of a president who has indefinitely retreated to a rural sanatorium.

If that contrast is not enough to excite Mr Lebed's formidable ambition, it at least appears to have influenced the bookstand sales on the first floor of the security chief's offices. The bookseller is selling her last copy of *I am Embarrassed for the Nation* Mr Lebed's tough-talking but shoddily produced autobiography which she says has vanished from the warehouses.

But she says it is almost impossible to sell the tome displayed alongside: a slickly produced album of Mr Yeltsin's memoirs.

Russia: Lebed, Out of Public Eye, Prepares for Chechnya Trip

MM2507080896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Jul 96 p 2

[Unattributed report: "On the Eve of the Trip"]

[FBIS Translated Text] Security Council Secretary Aleksandr Lebed, having noisily put down the "State Committee for the State of Emergency Mark 3" and participated most actively in removing Korzhakov and Barsukov, has almost gone underground. He has not been seen or heard from. What is he doing?

What he is doing is getting ready to keep his promises. We were so informed by people from his entourage. They added that Aleksandr Ivanovich is a skilled commander and therefore does not go onto the attack without the proper preparation.

The Security Council Apparatus is currently collating and analyzing information in various areas. Not least regarding the forthcoming trip to Chechnya. It has been postponed several times, but will definitely be going ahead, KOMSOMOLSKAYA PRAVDA was assured.

The press has already started attacking Lebed. Clearly, this is a reflection of public sentiment — where is the "god, czar, or hero" that would come and restore order? But there is so much of all kinds of dung in our stables that first we will have to think about how to clean them out. Let us hope that Lebed will be able to make a good "shovel."

Russia: Lebed Denies Plans To Form Political Movement

LD2507084896 Moscow ITAR-TASS in English 0831 GMT 25 Jul 96

[FBIS Transcribed Text] MOSCOW July 25 (Itar-Tass) — Secretary of the Russian Security Council Aleksandr Lebed denied reports that he was going to form a political movement of his own and blasted mass media for inventing too many stories about him.

The press service of the Security Council said on Thursday it was confused over "fabricated reports regarding the work of the Security Council and its secretary Aleksandr Lebed".

"On Wednesday that series got another news about the creation of a new political movement which is to be headed by Aleksandr Lebed and about an upcoming holding of its founding congress", the press service said in a statement.

It was reported that hard-rule advocate Lebed wanted to create the "Truth and Order" movement.

"There were no official statements on that issue, as well as no statements on the date of the trip of Aleksandr Lebed to Chechnya", the press service said.

Lebed himself complained on Thursday that mass media were too often setting dates for his expected trip to Chechnya.

"As far as media-declared dates of my trip are concerned, I know nothing about them", he told Tass.

Lebed, who stopped the fighting in the Moldovan breakaway Dniester region and is now expected to bring peace to Chechnya, said: "I have been already five times seen off to the Dniester region and three times to Chechnya" by the media.

Russia: Report Previewing Elections for 50 Regional Governors

MK2407125396 Moscow SEGODNYA in Russian 24 Jul 96 p 2

[Report by Dmitriy Volkov: "Russia Will Have Fifty More Formally Independent Governors"]

[FBIS Translated Text] The Federation Council leadership does not expect the final results of voting in the October-December elections for heads of executive authority in the regions to "favor only two sides:" supporters of the incumbent president and his opponents, stated yesterday Anatoliy Sychev, chairman of the senate federation affairs committee. Mr. Sychev leads the council of deputies of Novosibirsk Oblast, where Boris Yeltsin lost the second round to Zyuganov by a margin of a little over five percent.

Elections for governors are expected to take place in 50 regions around Russia. Furthermore, agencies of the legislative branch are to be reelected in 18 regions before the year ends. Thirty-one regional legislative assemblies have extended their term of office until

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December 1997, one extended it until March 1997, and four, until March 1998.

Legislative agencies in Novosibirsk and Omsk Oblasts have not established the duration of their term of office yet. The right to decide on dates of elections for regional bodies of power has been granted them by an edict Boris Yeltsin issued this past March.

According to Mr. Sychev, where elections will be held, this must "serve to strengthen state power." The president cannot dismiss elected governors and appoint new ones in their place; however, Mr. Sychev noted that governors "have to do too many concrete things together with the president and the government" to claim they are totally independent of the center. Understandably, as long as Russia's economic and especially monetary system stays more or less united, the separatism of governors, should they be representatives of the implacable opposition, will be curbed by practical considerations.

Mr. Sychev believes that the future elections "will have an appreciable" influence upon defining Russia's political and economic course. He, however, does not think "that these elections will be held under the political sign" of a standoff between two sides. Given the extremely muddled and unregulated relations between Moscow and the regions, future actions of newly elected regional authorities will cover "a much richer spectrum." In other words, regardless of their party affiliation, every provincial leader would have to haggle with the center in his own way, and the center would have to haggle with each such leader. This would go on at least until the creation of a common state system becomes either economically advantageous or totally impossible for strictly material reasons.

The Kremlin's current concern over the future political color of the provinces may therefore prove a step in the false direction. "White" governors may very well turn their back on the center should it go bankrupt, whereas "Red" governors would not be able to afford this should the center grow strong.

Russia: Government Discusses Fulfillment of Presidential Orders

LD2507093396 Moscow Mayak Radio Network in Russian 0800 GMT 25 Jul 96

[FBIS Translated Excerpt] A meeting of the Russian Government is taking place right now. Our observer (Vladimir Konnikhov) has the details:

[Konnikhov] Prime Minister Viktor Chernomyrdin started the meeting by presenting new Defense Minister Igor Nikolayevich Rodionov to the cabinet. This was followed by discussion of the first issue on the agenda: on the work of the federal organs of executive power in implementing the edicts, orders, and instructions of the president.

According to the prime minister's demeanor and the character of the debate, I can say that he has a very serious and exacting attitude to this work. This is the country's life and everything that we do not manage to complete, as Viktor Stepanovich said, affects all spheres of activity and the people. The prime minister has grounds for this attitude. It is sufficient to say that a figure was mentioned of 23 of the president's instructions that have not been fulfilled. The reasons are various, but the fact that instructions from the president have not been implemented is inadmissible.

There was some sharp debate when the work of the Ministry of Finance and the State Property Committee was discussed in this regard. Chernomyrdin then moved to the area of personal responsibility of officials, of every official, whether minister or deputy. Furthermore, Chernomyrdin said that in forming the new government the attitude to this question on the part of the heads of the ministries and departments must be taken into account. This significant statement by Viktor Stepanovich he explained by saying that in the final analysis officials, by being less than conscientious in treating presidential instructions, are demonstrating lack of respect for power, for the state. This is how the prime minister put it.

The government then discussed the draft of a federal task program for preventing dangerous climatic changes and their negative consequences. [passage omitted]

I can now say only that the program submitted deals for the 1997-2000 period. A sum of 267.8 million rubles is being allocated to carry it out. The objective of the program is primarily to prevent the negative effects of climatic change for the health of the population and the country's economy, as well as the fulfillment of undertakings made toward implementing the framework United Nations convention on climatic change. [passage omitted]

In using the criteria of damage prevention, the economic effect in the Russian Federation from implementing the program for preventing dangerous climatic change and its negative consequences will be considerable, exceeding by 100-200 percent the costs of implementing it. The government meeting continues.

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Russia: Government Decree on Implementing Anticrime Program

MM2407142696 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 96 p 5

[Russian Federation Government Decree No. 600, signed by Premier Chernomyrdin and dated 17 May 1996: "On the Federal Targeted Program for Stepping Up the Fight Against Crime in 1996-1997"]

[FBIS Translated Text] With a view to adopting comprehensive measures to step up the fight against the crime, the Russian Federation Government decrees that:

1. The appended Federal Targeted Program for Stepping Up the Fight Against Crime in 1996-1997 (hereinafter the program) is hereby ratified.

2. The Russian Federation Ministry of Internal Affairs shall be ratified as the state customer-coordinator [zakazchik-koordinator] of the program, and the Russian Federation Federal Security Service and the Russian Federation Federal Tax Police Service shall be ratified as state customers for the program.

3. The Russian Federation Ministry of the Economy and the Russian Federation Finance Ministry shall include the program on the list of federal targeted programs to be funded by the federal budget in 1996 and 1997.

4. Federal executive organs and organizations carrying out corresponding measures under the program shall ensure their implementation within the limit of the funds provided for in the federal budget for these organs and organizations.

5. Russian Federation component executive organs shall be instructed within the limits of their budget funds to:

draw up and adopt comprehensive regional programs for stepping up the fight against crime in 1996-1997;

bring the number of public security police subunits (local police) funded out of Russian Federation component budgets up to the established normatives.

6. Russian Federation TV and radio companies shall be instructed to provide airtime for broadcasts aimed at stepping up crime prevention, protecting public order and property, and improving the activities of law-enforcement organs.

7. It shall be laid down that in the course of implementing the program certain measures may be clarified, and the scale of funding for measures in 1997 will be amended to take account of ratified federal budget expenditure.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 17 May 1996
No. 600

Russia: Commission 'Concerned' by Chechen Threats of Violence

LD2407123696 Moscow INTERFAX in English 1223 GMT 24 Jul 96

[FBIS Transcribed Text] Moscow, July 24 (Interfax) — The State Commission for Chechen Settlement is concerned by the statement of Chechen field commander Salman Raduyev on future acts of violence on Russia's railroads, commission press secretary Sergey Slipchenko told Interfax Wednesday.

The commission calls on Chechen separatist leader Zelimkhan Yandarbiyev "to disown" such statements and to condemn terrorism, he said.

"The state commission will never hold talks with Raduyev, Shamil Basayev and others. They are international terrorists and it is necessary to use corresponding coercive measures with respect to them," Slipchenko said.

Military Issues

Russia: Servicemen Doubt Sincerity of Rokhlin's Corruption Bashing

MK2407122796 Moscow NEZAVISIMAYA GAZETA in Russian 24 Jul 96 p 2

[Report by Oleg Blotskiy: "Two Questions to Lev Rokhlin. Much Is Said About Embezzlement in the Military, But Very Few Get Sentenced for That"]

[FBIS Translated Text] It is well known that last Friday [19 July] Lev Rokhlin, chairman of the State Duma's defense committee, delivered yet another portion of revelations concerning corruption among the top brass of the Russian Armed Forces. Two questions arise in connection with that.

The first question: Where was Lieutenant General Rokhlin before, did he not know anything about misappropriations among the top military bureaucrats? This can hardly be believed. Military collectives tend to be very closely knit, for which reason information spreads quickly inside them, even if someone attempts to suppress it. Tens or even hundreds of pairs of eyes of subordinates or men in uniform indirectly involved in this process — drivers, telephone operators, aides, pilots — cannot but see their superiors steal.

The number of generals is not that great. The subordinates who watch them tend to exchange views within their inner circle. The "wireless army telephone" spreads

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their impressions throughout the military quickly and accurately. So ultimately many people in the Armed Forces are perfectly aware what one commander or another is capable of. Checking up on their activity does not present any particular difficulty either. The question is elsewhere: Who will do that and how.

The past several years have clearly shown that the feeling of impunity reigns among the top military command, where commanders at almost any level can do whatever they wish to without running the risk of being court-martialed. Never has a military big shot been put behind bars. As a rule, it is small fry who find themselves behind bars, after they, watching their superiors, for some reason put it into their head that they, too, are allowed to do something.

The universal lack of control, which accompanied the withdrawal of Russian military units from European countries, the Baltic states, Central Asia, and Transcaucasia, has created all the prerequisites for all-out corruption in the military. But there has been no reaction from the Main Military Prosecutor's Office.

In this regard the second question arises: Does Lev Rokhlin really believe that his revelations will put at least one general in the dock?

In the military itself few believe this could happen. Ordinary officers, who have experienced the impunity of many generals on their own skin, see Rokhlin's statements in the Duma as yet another act of the comedy entitled "Let Us Exterminate the Abomination of Corruption in the Military." The officers undoubtedly trust the lieutenant general's statements, but they doubt that their actual objective is to bring real order to the military. Seasoned servicemen are inclined to suggest that all the accusations hurled at certain generals are nothing but an ordinary attempt at settling scores and "refreshing" the Defense Ministry by discrediting in public the military bureaucrats who have actually turned into fat cats.

Among themselves, the officers doubt that the misappropriated funds will be returned to the state treasury, that the apartments "obtained" by generals for their children and relatives will be turned over to the servicemen who need them, or that the corrupt generals will go on trial one after another.

Yet the Russian servicemen watch the goings-on at the Duma with the keenest interest, trying to guess which other generals will find themselves on the list of thieves.

Russia: Prosecutor Impotent Against Corrupt Generals

MM2407131396 Moscow IZVESTIYA in Russian 19 Jul 96 p 4

[Unattributed report on discussion at Main Military Prosecutor's Office: "Military Prosecutor's Office Powerless in the Face of the Generals. Why?"]

[FBIS Translated Text] There have been loud noises in the State Duma about corruption among the generals. Papers are full of cases of theft in the Armed Forces. There are pictures on television of million-dollar villas which you could never build on a general's pay. The main military prosecutor, appearing on television, did not deny them, saying that the military justice department is aware of it all, but is carrying out a check.

The checks have been going on for years, but the result is practically zero. Hence the question posed in the headline.

This piece is based on a conversation at the Main Military Prosecutor's Office in which Justice Colonel General Valentin Panichev, department head; Justice Major General Viktor Shein, chief of the Main Military Prosecutor's Office investigation directorate, and his deputy, Justice Colonel Yuriy Bagrayev, participated. Viktor Litovkin and Yuriy Feofanov represented IZVESTIYA.

Can't or Won't

The tragic deaths of sailors of Russkiy Island, the death from exhaustion of a soldier in Khabarovsk, starving soldiers in Chechnya, who are short of clothes and bedding, embezzlement in the Defense Ministry Main Trade Directorate, corruption at the top in the Army, generals with luxurious dachas, which it would take more than 50 years to earn enough money to pay for... The Main Military Prosecutor's Office has not adopted effective measures in a single one of these cases. Why? Can't you expose the thieves or don't you want to?

The conversation participants from the Main Military Prosecutor's Office set out facts which indicate that military justice is by no means twiddling its thumbs.

Excerpt from the conversation at the Main Military Prosecutor's Office :

"On Monday (the conversation took place on Friday 12 July) we are instituting proceedings against Colonel General Terentyev, deputy commander of Ground Forces. Although his was an apartment scheme, not a dacha scheme. He would acquire an apartment in one place and sell it, obtain another in another place and sell it too, acquire a third... When there is evidence, not just rumor and conjecture, we act, irrespective of

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rank and position. Everyone must remember Rutskoy's 'suitcases.' [reference to Rutskoy's alleged holding of large quantity of incriminating material against Grachev and other leaders] We cannot say at the moment what will happen to Rokhlin's incriminating material. We know of these accusations, but they are not yet facts."

The Military Prosecutor's Office is currently handling six or seven cases connected with officers in the Defense Ministry Central Apparatus, several cases of thefts of the order of 50 billion rubles [R], cases to do with the Main Military Trade Directorate, to do with the Air Force and the sale of helicopter engines, and a general is being prosecuted for using soldiers to repair his own apartment, although that is a minor thing, since there is the prospect of a charge of stealing construction materials worth R50 billion. There is the case against a representative of the Central Directorate for Materials and Resources, who, when he was in the Baltic area during the withdrawal of forces, was the only person in the entire Baltic area who was in possession of army property and decided how much to give someone and how much it should go for.

Proceedings have been instituted against a banker who had links with the military. For instance, he has property abroad worth $290 million.

Not just words, but facts, seemingly. So why does society have the strong impression that our entire law-enforcement system is powerless? Primarily because it is obvious that not a single high-ranking thief is languishing in jail. It is not that the people are thirsting for blood; the people want to believe in the authorities' honesty and strength.

Excerpt from the conversation at the Main Military Prosecutor's Office:

"The dacha question has been cropping up for some years now. I recall there was also a big fuss about the privatization of dachas and we carried out a check. The materials were sent to the Supreme Soviet at the time.

"Why the Supreme Soviet, when you have sufficient powers to take the offenders to court?

"Everything was sanction by the president then.

"And what is the president's attitude towards the investigation of theft?"

There was no reply. Clearly, therein lie the reasons why corrupt military commanders and, indeed, those who are blatantly thieving get off scot-free despite all the apparent evidence. The independent justice system and the prosecutor's office, as part of it, should not be thinking of presidents and parliaments when it comes to specific crimes. There was once a procedure: Without the consent of the rayon committee a party member cannot be investigated or taken to court; without the sanction of a unit commander a soldier cannot be prosecuted, and without the Defense Ministry permission a lieutenant or higher rank cannot be prosecuted. The "procedure" went, but the ideology remained. Geared to presidents and rulers, not to the criminal law.

It is difficult to shake this off. By virtue of Russian and Soviet tradition everything is decided not by the law, but by the commander, and try as it might to divide into branches in accordance with the Constitution, democratic authority, as it stands at the moment, cannot in reality divide.

Money and the Law

You would be unlikely to find a department today that would say: We have plenty of funds and are overstaffed. In Russia today finance is a real problem — people are not being paid, and that includes military prosecutors; sometimes it is two months in arrears. Investigators are overworked, their premises are appalling, and their pay is paltry. Under the Soviets it was not exactly milk and honey either. But ministers, executive committee chairmen, directors, and even party bigwigs, and not only pickpockets were exposed, put on trial, jailed. When they wanted to. Or when they were commanded to do so. Let them try to say that there was not enough money or the law was bad.

Excerpt from the conversation at the Main Military Prosecutor's Office :

"They say: The prosecutor's office instituted proceedings, but nothing came of it. I recall that we enlisted the best people when we investigated the taking of bribes by top inspectors at the Defense Ministry and the State Technical Inspectorate. They investigated, collected evidence, went abroad to obtain the testimony of German businessmen and Finnish businessmen. The trial lasted nearly a year and...the people in responsible positions were given suspended sentences.

"Does that not show that military justice is powerless when faced with military commanders?

"No, that is not the point. We carried out a check on General Vasiliy Vorobyev. A government commission was appointed. It worked for a long, long time, and concluded that there was nothing to answer. We wrote a letter to the government: There is something there, we must check again. They replied: No more checks, we don't have the money.Now some new data have been discovered, and we have again started taking a close look at Vorobyev. And yet again, there is no money.

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"What kind of check do you do, say, on Colonel General Vasiliy Vorobyev, former chief of the Defense Ministry Main Finance and Budget Directorate. You have to bring in top financial experts, but the Finance Ministry told us: Not a single expert available. You have to make official trips, but we do not have the money for our own investigators to travel on official business. I am not talking about foreign travel, although some cases, such as Vorobyev's, involve Bulgaria, Germany. There you have 50 percent of our problems.

"To audit an entire Defense Ministry Main Directorate, you need not one financial expert, not two, but a large group of them. Now take Rokhlin's accusations. We need not only our investigators, but auditors and financial experts — specialists in all spheres. Where do we get them from? Where is the money for the expert appraisals? We are drowning in a sea of criminal cases and we do not have the investigators to see cases through to the end."

Sad but true: The poacher always has a more powerful engine than the fisheries inspector; the mafioso has better connections than the police; the racketeer's profits are bigger than the investigator's pay. So what do we do, give in? Let them plunder and thieve? Of course not, because the catchers always have on their side an insuperable force — the Law itself.

Excerpt from the conversation at the Main Military Prosecutor's Office:

"Is the law, whether it is the new Criminal Code or the old one, preventing a thief or someone who is taking bribes from being caught? Don't you think it is a matter not so much of a flawed legal base as of a lack of will and desire to apply the existing law?

"We are switching to new economic arrangements. And one is conscious at every step of the lack of legal limits on these arrangements. Including arrangements between the Army and the banks and commercial structures. Since they exist, the Army willy-nilly has to work with them. At the moment we are constantly encountering criminal cases that have very simple plots. A unit commander transfers money to a commercial bank. After a while he gets the money back. We are all perfectly well aware that he did not transfer the money out of the goodness of his heart, but for some other reason. What can we do? At best, say that he has abused his official position. When there is a specific article just as tough as that which covers theft we will be able to do something. But not at the moment."

Presumption of Innocence as the Bastion of Mutual Protection

Generals' luxury homes and villas are shown with impressive regularity on television and in newspapers and are compared with their legal pay, and always the same question: How did they pay for them? There is no clear answer, because you cannot be jailed merely for having a dacha, even a million-dollar one. Military commanders' mansions were also shown after General Rokhlin's exposes in the State Duma. After that Main Military Prosecutor Valentin Panichev became "hero of the day" on NTV. He made it clear that nothing can be done here without violating human rights. The mutual protection scheme is simple: The owner is asked "where did the money come from," and he replies — the bank provided credit; the banker is invited to come for a chat — he grins: If I want to give someone money I give it. The television program also showed men on military service working to build a general's dacha. The explanation was that construction units can carry out private contracts under the law.

Excerpt from the conversation at the Main Military Prosecutor's Office:

"In response to General Rokhlin's exposes you said that checks were being carried out. But is it not clear that checks will lead nowhere unless criminal proceedings are instituted?

"But what grounds are there for instituting proceedings? There are none.

"Why? Article 108 of the Criminal Procedure Code says reasons for instituting criminal proceedings include "articles, items, and letters published in the press" (point 4). So it is not so much a question whether one can or cannot institute proceedings as whether the will is there and there are no obstacles at the top. When questioned you will have to explain properly the source of the funds and the credit guarantees. Incidentally, only then will it be possible to ask soldiers building dachas for generals: On whose orders are you building it?

"That is how we carried out the checks.

"But article 109 of the Criminal Procedure Code gives three days for checking information, in extreme cases 10 days, after which either the matter is closed or proceedings are instituted. If you have checked all this, where are the proceedings? Why is the court not handling the cases if they have not been closed?

"We are carrying our a general check, not a check under article 109. A check is carried out under article 109 when we are talking about a crime.

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"Is there not cause to suspect a crime, when a dacha costs $1 million , but the general receives....

"Why do you think when you have received information that a dacha has been constructed, you can say straight away that you have evidence of a crime? Obvious things are not always obvious. He has credit from a bank and the banker explains: He is a personal friend. We served together. We certainly do have cases where a banker once served in the same company as the person in question. We object and say that he might perhaps not pay you back. The answer comes: But where is he going to hide? In that case I would then take the dacha back off him.

"But the prosecutor may say: I am not satisfied with what you told me. Why do you not give another person the same credit? Someone else who has 'nowhere to hide,' from whom you could also then take the dacha back? Is it not evidence that the general and the bank have some kind of connection via the construction of the dacha? The suspicion is there, but there is no satisfactory explanation. Is this not a reason for instituting criminal proceedings?

"You tend to make accusations. What we have — and you, IZVESTIYA, have written most about it — is presumption of innocence."

There is nothing more significant for a rule-of-law state, for guaranteed rights of the individual and principles of justice than steadfast observance of the principle of presumption of innocence and rejection of the accusatory bias. Unfortunately, these sacred principles operate too selectively in our case. Formerly it was on orders from on high; now it depends on the importance of someone's job or status. But we are not addressing judges and prosecutors, that is, the authorities whose job it is to accuse. But the court should not be included among the forces fighting crime; the court is the arbiter and it cannot have an accusatory bias; the court always interprets any doubt in favor of the accused. But an investigator can hardly adopt such a stance — he must not dismiss any doubts, he must clear them up. The law demands it of him.

Why, we are a country of extremes. Actual presumption of innocence use to be banned as a terrible bourgeois prejudice; now it is used in defense of bandits, thieves, extortionists, and rapists. Obvious swindlers get into parliament, robbers aspire to lofty state posts — presumption of innocence. But if an ordinary person goes to the police and mentions his rights — they show him the kind of presumption that the Constitution would not recognize.

Is the Military Prosecutor's Office Necessary?

Military justice can hardly be impartial as long as the "cowboys and Indians" are part of the same body. Formally the Military Prosecutor's Office is part of a single Russian Federation Prosecutor's Office. No one doubts Valentin Panichev's statement that minister Grachev never gave him any instructions on specific cases. Nonetheless, Panichev wears a military uniform, not a prosecutor's garb.

Does this mean that the Military Prosecutor's Office should be abolished as an institution of the law-enforcement system? (The press is already writing about this).

I think this would be excessive. Military justice, including the Military Prosecutor's Office, is a tradition in Russia. But theft, bribes, and corruption are not its sphere, even if senior generals are involved. Military justice should deal only with military crimes, clearly delineated in the Criminal Code. Let the departmentally independent Russian Federation Prosecutor's Office investigate "civil" crimes.

Russia: First Deputy Defense Minister Outlines Reform Plan

MK2407122896 Moscow NEZAVISIMAYA GAZETA in Russian 24 Jul 96 p 2

[Report on interview with First Deputy Defense Minister Andrey Kokoshin, by Nikolay Ivanov: "Military Reform Plan Has Been Outlined. By the 21st Century Russia Should Be Ready To Meet All Military Challenges" — place and date not given]

[FBIS Translated Text] The material published below is a summary of a conversation with Andrey Kokoshin, state secretary and first deputy defense minister, on some aspects of military reform and force development in Russia.

According to the deputy minister one main point of departure in force development plans was analysis of various options for the evolution of the geopolitical situation in the world for the long and medium term insofar as it relates to Russia's security interests. Among other things, much attention was given to the possible consequences of NATO eastward expansion and to the changing system of relations in the Pacific Rim. Andrey Kokoshin noted that changes in this region could become "tectonic" for the system of international relations as a whole, because some basically new balances of forces could emerge here. And Russia has plenty of possibilities for producing a substantial impact on the evolving balance of forces in the world, including by pursuing a more sophisticated defense policy. Such

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options, Andrey Kokoshin said, were elaborated in close contact with senior officials and experts from the Foreign Ministry and the Foreign Intelligence Service and outstanding Russian researchers. The scope of force development in Russia should, to a large extent, be determined by these new balances of forces and the distribution of the country's particular military efforts along various lines, the first deputy defense minister believes.

In the last six months Defense Ministry analysts, jointly with corresponding government subdivisions, have accomplished much work to correlate the parameters of the development of the Russian Federation's economic capability with force development plans. This work comprises an in-depth appraisal of complex and interdependent military-economic, demographic, and financial factors.

Another area of analysis was the character of future wars and armed conflicts, with due consideration for the growing role of aggregate information, including electronic warfare assets, precision weapons, and illegal means of warfare. It is key, in this process, not to underestimate conventional methods of warfare and not to forget about the need to upgrade, among others, regular small arms. Thus, according to the deputy minister, the role of heavy field artillery was first demonstrated in WWI, and before infantry could begin the offensive, it was vital to win fire superiority with heavy artillery firing from covered positions. In WWII, priority was given to winning air superiority, and then "mother infantry" would still come in to play the key role. Since the 70's, especially since the 80's (the Bekaa Valley), and then in the course of Operation Desert Storm, the prime task has been to win superiority in the information sphere; then comes the struggle for air superiority; and only after that the struggle for fire and space superiority.

The emergence of information warfare assets and means of impacting on the information space of another state necessitates the development of theoretical and practical foundations of conducting information warfare, and consolidating the theoretical basis of this form of warfare as part and parcel of the military art.

The center of gravity in modern warfare is shifting away from the large-scale effective engagement of enemy personnel, weaponry, combat hardware, and military installations toward the destruction (incapacitation) of elements that are key to the opposing side's ability to put up organized resistance. Priority needs to be given to building up the capabilities of friendly forces to defend against current and prospective weapon systems.

It is vital here not to underestimate the conventional means of warfare, for instance, the need to modernize small arms, tube artillery, tanks, motor vehicles, and so forth.

At the same time a major role will continue to be accorded to the aggregate of nuclear forces and other assets designed to avert aggression, which could reliably deter a nuclear attack against Russia or large-scale aggression with conventional assets.

In considering the requisite technical supply level for the armed forces, it is essential to bear in mind that owing to the ongoing economic crisis Russia's capabilities for building up the number of weapons to their optimal strength level and for modernizing and upgrading them are thus far limited. Therefore the main attention will be given to developing cutting-edge weapon systems and defense R&D projects. At the same time everything needs to be done to maintain in good working condition the existing equipment and to ensure its gradual modernization.

Andrey Kokoshin pointed out that any armed conflicts today are rather politicized, and the use of force even on a very limited scale in most parts of the world immediately — primarily via television — produces a reaction from public opinion and the political establishment. Therefore all questions pertaining to the use of military force even on the tactical level should be carefully considered with due account for their impact on politics and the various direct and indirect connections.

Aspects of military reform were elaborated with the participation of specialists from the General Staff Military Academy (Andrey Kokoshin especially mentioned here a 1995 study by the General Staff Military Academy, "The Military Security of the Country and the Armed Forces: Problems and Ways of Addressing Them"; and a research project completed by the same academy on information warfare, supervised by Col. Gen. Igor Rodionov), taking into account proposals by well-known Russian military leaders and military and civilian specialists (from the Academy of Military Sciences and the Russian Academy of Missile and Artillery Forces). Each service of the armed forces has been given a worthy place in the accomplished work. For instance, with respect to every fleet of the Russian Navy an effort was made to formulate new tasks derived from the supreme interests of national security. Among them is the concept of "The Northern Strategic Bastion" for the strongest of Russia's four fleets: the Northern Fleet.

Options for the combat composition of the armed forces were elaborated until the year 2000 and until the period of 2005. In particular blueprints are considered for a

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multimission combined-arms division of the 21st century with various weapon systems designed for different theaters of military operations. Such units are designed to be used for a wide range of missions — from full-scale combat action to peacekeeping operations. The number of such divisions will be relatively small, while they will be used as the basis for the deployment of large formations in wartime. On the whole it is vital to have a basis for mobilizational deployment, including by employing a new reserve (conscript and officer) training system, and accumulating mobilization resources — both human and material. Much work is in hand to develop a new type of mixed ground and naval force formation.

After what Andrey Kokoshin described as "much torment," through the joint efforts by specialists from the General Staff, the Defense Ministry Military and Technical Policy Committee, and the Main Military Budget and Financing Directorate, the basic economic parameters for the armed forces were defined: for instance, the cost of the upkeep, for one year, of a motorized infantry division, a battlefront fighter aviation regiment, a combined-arms military school, and so forth, without which it is simply impossible to make even approximate plans in the area of force development.

Russia: Long-Term Military Development Program Drafted

LD2507101996 Moscow ITAR-TASS in English 1008 GMT 25 Jul 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW July 25 (Itar-Tass) — The Russian Defense ministry and the General Staff have drafted a long-term programme up to the year of 2005 for the development of the armed forces which, if approved, will signal the beginning of a genuine military reform, according to first deputy Defence minister Andrey Kokoshin.

He told Tass on Thursday that the programme consists of two plans for developing the armed forces and their armaments and boils down to ensuring "adequate military might based on developed defence industry and science for ensuring the national security".

The programme envisages "a certain increase" in appropriations for national defence, including research and development and the arming of the troops, he said.

"The drafts of the long-term plan of developing the armed forces of Russia up to the years of 2000-2005, as well as the draft long-term programme for armaments, have been submitted to the government. After their consideration and approval the army and navy will launch real military reforms which meet the interests of the state and the historical developments in the world", Kokoshin said.

Russia: Rodionov's Remarks to Senior Officers

MM2407194096 Moscow KRASNAYA ZVEZDA in Russian 25 Jul 96 p 1

[Report by Oleg Falichev and Aleksandr Ivanov: "Russian Federation Defense Minister Colonel General Igor Rodionov: Russia Will Remain a Great Power If It Retains Its Defense Might"]

[FBIS Translated Text] As KRASNAYA ZVEZDA has already reported, Russian Federation Defense Minister Colonel General Igor Rodionov has been getting down to business at the Defense Ministry, traveling to the armed services' high commands and looking at the situation at local level. He has already been to the high commands of the Navy, Air Force, and Air Defense Forces....

The minister arrived at the Air Defense Forces high command at around 1100 hours and did not leave until the evening. He listened to Army General Viktor Prudnikov, commander in chief of the Air Defense Forces, and Colonel General Viktor Sinitsyn, chief of the Air Defense Forces General Staff, conversed with a number of generals and officers, and visited the Central Command Post. Army General Viktor Prudnikov reported that the Air Defense Forces are combat-ready and are performing the tasks assigned to them. Although there are many problems to do with inadequate supplies of fuel and lubricants, aircraft equipment and armaments, and finance.... They are all waiting to be resolved, and the personnel of the Air Defense Forces are to a large extent hoping for assistance from the new defense minister in this respect.

Colonel General Rodionov was satisfied with the Air Defense Forces' combat-readiness, the organization of alert duty, and the morale of the personnel and their awareness of exactly how difficult the current period is. He mentioned this when he addressed the generals and officers.

"The main purpose of my high command visits is to study the state of affairs in the armed services and familiarize myself with the problems and the leadership's plans to resolve them," the minister said. "I believe that in such a difficult period for the Armed Forces we must pull together and do everything we can to rectify the situation and at the same time set about preparing the right conditions for performing the tasks assigned to the Army and Navy by the president."

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The defense minister dwelt in detail on many very acute problems that are currently of concern to everyone in the military. The Armed Forces have now reached a point where it is impossible to solve the problems of their organizational development by using the old methods. In particular, they cannot be allowed to become a burden to the country. Although such a trend has emerged, as the president noted 18 July at a visiting session of the Defense Ministry Collegium. But the Armed Forces are not solely to blame for this, so to speak. Each power department is operating in isolation, seeking to increase its own numbers, establishing new structures, and demanding money and benefits from the meager defense budget. All this is happening due to the absence of orderly, balanced state military organization and rational military reform.

Military reform is a state task, not a matter for the military department alone. This is axiomatic today, requiring neither proof nor discussion, Colonel General Igor Rodionov said in his address. It was recently decided to form a Defense Council, which will be the body that carries out the Security Council's strategic decisions on matters of defense security and monitoring the progress of military organizational development. That is, a body to take charge of the organization and conduct of state military reform.

Another point is that the formation of the new Russia is taking place in a rather complex world military-political situation. What is the general conclusion? Alas, the world has not become a stabler and safer place since the end of the cold war. On the contrary, the number of trouble spots in the world is tending to increase. They include Karabakh, Tajikistan, Abkhazia, Bosnia.... It is very important for Russia to maintain normal relations with the vast majority of states in the world. This will enable it, so to speak, to put its own house in order, bring the country's defense capability into line with current demands, and organize integration processes in the CIS. These are also priority tasks, the defense minister noted.

Even now one can clearly predict a far from rosy future for the Russian Federation. For instance, in the West the main problem is NATO's eastward expansion, which will lead to a change in the strategic military balance in Europe. In the south the zone of instability is affecting Tajikistan and is threatening to spread to the Transcaucasus. And the difficulties over the peaceful settlement of the situation in Chechnya are largely due to interference by external forces. In the east the situation has improved in recent years. We have attained a new level of relations with China and other states. At the same time, some of them have not abandoned their territorial claims on Russia and include the task of "restoring historical justice" among the long-term goals of their state policy.

It was stressed in the defense minister's speeches that the threat to Russian internal security is not off the agenda. There is the country's economic and social instability, separatists' anticonstitutional activities, the growth of organized crime, and the worrying environmental situation. In these conditions comprehensive successful development and the restoration of Russia's status as a real great power are possible only if our state's defense might is maintained at the proper level. And this is one of the upcoming military reform's ultimate goals.

The creation of a professional army also requires the solution of many problems. It involves manning, training of personnel, and funding.... But perhaps the most important thing is people, Colonel General Igor Rodionov stressed. Indeed, the entire responsibility for the state of the Armed Forces rests today on the shoulders of the part of our society most dedicated to Russia — the officer corps. Which means that a fair system for performing service must be set up. The professional who meticulously performs his military duty must always be at the center of our attention, society's attention. We all know from our own experience, the minister said, how much the attitude toward servicemen and the Army in general has changed in recent years. The prestige of military service is declining all the time. But even in these conditions the bulk of the officer corps is performing its duty worthily. Honor and praise to these people. Their social protection is a most important task of the country's social policy. Every commissioned and warrant officer must acquire confidence in his own future, confidence that he will not be forgotten by the state after discharge into the reserve. The country's president has promised to provide extra funds — not from the military budget, what is more — to tackle this problem.

As for the Air Defense Forces, to a large extent their role in the general system for ensuring Russia's security is increasing these days. They must be prepared to perform the task of guarding the state border in the air and protecting in peacetime particularly important national and armed forces facilities. The Air Defense Forces are to be structured on the basis of the territorial principle, with comprehensive use of all forces and means irrespective of what department they belong to.

At the meeting with officers of the Navy Main Staff the defense minister noted that the Navy is also to be reformed. Special attention will be paid to modernizing the Navy's strategic forces and also its mobile forces, including marines. The defense minister stressed that

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he does not intend to fundamentally change the current structure of the Navy. Today there has been enough demolition and reduction of the Navy, it has to be reformed and built.

Generally speaking, some very hard work has to be done. That was the leitmotiv of the defense minister's words at the meetings with generals and officers of the armed services' high commands. And it can only be done through joint efforts. That will require mutual understanding, wise and thoroughly considered decisions, and the will and readiness to implement them.

Regional Affairs

Russia: Striking Maritime Kray Coal Miners Ask Lebed for Help

MK2507072496 Moscow SEGODNYA in Russian 24 Jul 96 p 2

[Report from Khabarovsk by Oleg Kryuchek: "Maritime Kray Coal Miners Ready To Block the Trans-Siberian Railroad. A Rally at Partizansk Turns to Aleksandr Lebed for Help"]

[FBIS Translated Excerpt] [passage omitted] On Tuesday [23 July], Maritime Kray saw the first outburst of the people's social discontent, which is bound to have a follow-up. In the coal mining town of Partizansk, where as many as four mines (Tsentralnaya, Severnaya, Nagornaya, and Avangard) had stopped mining and shipping coal, a rally was held in front of the municipal administration building, which was attended, by various estimates, from 1,000 to 4,000 people. Members of coal miners' collectives, their families, power industry workers, and employees of enterprises financed from the state budget sent a request to Security Council Secretary Aleksandr Lebed; Yuriy Malyshev, chief of the Rosugol concern; and Maritime Kray Governor Yevgeniy Nazdratenko, demanding that they investigate the causes of this situation and immediately pay all back wages to the coal miners. By an estimate of the Primorskugol association's trade-union committee, the federal government owes the Partizansk miners about 15 billion rubles. At the same time, the rally participants demanded that the debts be indexed in line with inflation.

It is worth noting that various workers collectives of Maritime Kray that are planning to go on strike in the near future or are already striking increasingly turn for help to Mr. Lebed, so the latter will either have to turn into a defender of the Russians who have been made destitute or, if he turns out to be unable to help them, to earn the reputation of yet another Kremlin turncoat. Participants in the Partizansk rally called once again for the Trans-Siberian Railroad to be blocked, while several women issued a threat to the local administration, which is bending over backwards to blame all the woes on Moscow or Vladivostok, that they would set themselves on fire.

The woeful plight of the residents of the coal-mining Partizansk has been compounded by an almost total exhaustion of the town's food reserves. Furthermore, coal miners have no money to buy food or the staple medicines. Currently, the management of the Primorskugol Joint-Stock Company is trying to arrange food deliveries to Partizansk through its departmental channels, but nothing has been known about the practical results of these efforts yet. Current statements by representatives of the municipal administration have no trace of optimism any longer; on the contrary, Vladimir Bandyukov, chief of the municipal administration, forecasts a worsening of the situation since Rosugol has already drawn up and approved the plan for closing Maritime Kray's money-losing mines while rehabilitation programs for redundant coal miners, as usual, still have to be drafted. Currently, the managers of the Primorskugol Joint-Stock Company are trying to do their utmost to prevent the Partizansk strike from spreading throughout the kray, but they find it increasingly difficult to keep Maritime Kray miners from solidarity actions.

Russia: Lebed: Large-Scale Military Operations in Chechnya Ended

LD2507071896 Moscow ITAR-TASS World Service in Russian 0643 GMT 25 Jul 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Text] Moscow, 25 Jul — "Large-scale military operations in Chechnya have ended, and the question has now entered another dimension," an ITAR-TASS correspondent was told today by Aleksandr Lebed, secretary of the Security Council of the Russian Federation. According to him, "since the signing of the well-known agreements (in Moscow and Nazran — ITAR-TASS note), overall losses among federal troops have totalled over 70 dead and 350 wounded." The Security Council secretary thought this situation "more than strange."

"Either those agreements that have been signed are implemented or adequate measures are taken," Lebed stressed.

Talking about the criminal area, he continued: "The conduct of work in this area to isolate and destroy organized gangs is the job of special troops and special operations. The local population must be protected from all this to the maximum extent."

Asked by an ITAR-TASS correspondent whether he is going to Chechnya, the Security Council secretary

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answered: "I will go there when I have analyzed the situation and prepared a solution. As for the dates for the visit announced in the media, I know nothing about them at all. They have already sent me to the Dniester region three times and five times to Chechnya," Lebed said.

Russia: Mikhaylov Opposes Use of UN Peacekeepers in Chechnya

LD2407134796 Moscow ITAR-TASS in English 1322 GMT 24 Jul 96

[By Natalya Kosareva]

[FBIS Transcribed Text] MOSCOW, July 24 (Itar-Tass) — Russia's Minister for Nationalities Vyacheslav Mikhaylov on Wednesday categorically dismissed the possibility of using the U.N. peacekeeping forces to resolve the Chechen conflict.

Mikhaylov was commenting on the recent statement by Chechen separatist leader Zelimkhan Yandarbiyev who called for involving U.N. representatives in talks with Moscow and using U.N. peacekeepers in Chechnya.

The Russian minister stressed that the Chechen problem "is an internal affair of this country" and that the Chechen conflict "will be resolved in keeping with the Russian Constitution and with due respect for norms of international law."

Also today, the French ambassador to Russia said France regarded Russia's efforts in fighting separatists with understanding.

Russia: Zavgayev Says Federal Forces To Stop Shelling Chechen Towns

LD2507103196 Moscow INTERFAX in English 1012 GMT 25 Jul 96

[FBIS Transcribed Text] GROZNYY, July 25 (Interfax) — Not a single village in Chechnya will come under fire from Russian forces, Doku Zavgayev, republican head of the pro-Moscow Chechen government, told INTERFAX on Thursday [25 July].

He said that an appropriate agreement was reached at yesterday's meeting by the public council in the Chechen capital of Groznyy. It involved representatives of parties and movements, government members and Russian military officials, including Gen. Anatoliy Kvashnin, commander of the North Caucasus military district, and senior Russian police officials.

Zavgayev said district administrators and elders also attended. He said it was agreed that local officials and elders would work together to get the rebels to surrender their weapons. "If the rebels do not oblige, they will be expelled from Chechen villages," Zavgayev said.

He spoke of clearer prospects for peace and an improvement in the internal situation, with signs of stabilization becoming much more tangible.

On former Russian parliament speaker Ruslan Khasbulatov's involvement in the peace process, Zavgayev described him as being a played-up card. "It is high time he stopped gambling. The circuit has closed because he has always been together with pro-[Dzhokhar] Dudayev adventure-seekers," he said. Dudayev, formerly the leader of Chechnya's separatist movement, was reportedly killed in a Russian rocket attack on April 21.

Zavgayev, who is still opposed to mediation by Tim Guldimann, head of the OSCE [Organization for Security and Cooperation in Europe] mission for Chechnya, accused the Swiss diplomat of maintaining "criminal contacts" with "criminal elements." He also accused Guldimann of having sympathies for the separatists and being under their influence. "Over the entire period of his presence in Chechnya, Guldimann has never condemned terrorist attacks carried out by those with whom he has been in close contact," Zavgayev said.

However, he did not say whether or not he would continue insisting on Guldimann's recall. Zavgayaev said he hoped that the Swiss diplomat would make proper conclusions, a thorough review of his assessment of the situation in Chechnya and would from now on agree his actions with Groznyy.

Russia: Chechens Accuse Federal Forces of 'Relentless Shelling'

LD2507084396 Moscow INTERFAX in English 0800 GMT 25 Jul 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, July 25 (Interfax) — The Chechen separatist headquarters has charged Russian troops with the relentless shelling of mountain hamlets in southern Chechnya.

The Russians have been targeting villages in the Itum-Kalin area, a spokesman for the headquarters told Interfax. However, no redeployment among the Russian forces in the Chechen mountains has been spotted so far, the source added.

"The continuing bombardment of Chechen villages against the background of intentions voiced by the Russian side to resume negotiations cannot be construed other than as a breach of the [Nazran] military accords by the federal authorities," the source said.

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The opposition, the source claimed, "has refrained from counteraction, limiting itself to local defense" as the Defense Committee has instructed.

The source reiterated separatist chief of staff Aslan Maskhadov's readiness to meet with the commander of the North Caucasus Military District, Anatoliy Kvashnin. However, "the opposition has not received confirmation for the meeting from the federal side so far," the source said.

Russia: Chechen Rebel Leaders Deny Split With Raduyev

LD2507095896 Moscow INTERFAX in English 0905 GMT 25 Jul 96

[FBIS Transcribed Text] South Chechnya, 25 Jul — The official position of the Chechen separatists' leadership "lies in categorically refraining from any terrorist actions aimed against civilians", the leadership of the armed Chechen opposition reported to Interfax.

Commenting on the latest statement by field commander Salman Raduyev, who plans to continue acts of terror, in particular on Russian railways, a member of the self-proclaimed Republic of Ichkeria said in an interview with an Interfax correspondent that S. Raduyev and his bellicose pronouncements "do not present a problem either for the political or military leadership (of the separatists)".

"S. Raduyev has suffered considerable physical and mental damage and has had to live with the loss of Dzhokhar Dudayev - the man whom he, as his son-in-law, held in high respect", the source told Interfax. "That is why he (S. Raduyev) has the right to express his personal position which is not the official position of the leadership (of the fighters)."

The source categorically disagreed with the opinion that the latest pronouncements of S. Raduyev somehow testify to a split in the camp of the opposition. "There has been and is no split, nor is one foreseen", he stated.

Russia: Raduyev Reappearances Seen Advantageous for Separatists

MM2407141096 Moscow KRASNAYA ZVEZDA in Russian 24 Jul 96 p 1

[Article by Aleksandr Pelts: "'Ghost' of Raduyev Wandering Around Chechnya or With Whom Does Responsibility for Breakdown of Peace Agreements Lie?"]

[FBIS Translated Text] The real significance of the miraculous "resurrection" of such an odious figure as Salman Raduyev has unfortunately not been appreciated by everybody. For some reason nobody has considered it possible to compare the hasty statements of the federal side about a "new political extravaganza" with the statement by aide to the leader of the Chechen separatists, Akhmed Zakayev, claiming that they "will not permit anyone — not Raduyev or anyone else — to commit terrorist acts in the name of Ichkeria."

Conjecture aside, this is either Raduyev himself or his double. One thing is clear: An "authoritative figure" has appeared who does nor recognize any of the previous agreements and who has declared for all to hear that terror is the main means by which to achieve his ends.

Is there a schism in the opposition? Why is there again talk of "serious differences among the separatists " at the very time when federal troops have once more, as they say, got them with their backs to the wall?

Of the many possible reasons, I would like to single out one. As we know even the "organized" separatists are in no hurry to implement the agreements reached in the course of negotiations in Nazran and Novyye Atagi. Recent events near Shatoy and in Vedenskiy Rayon make this absolutely clear. In connection with this, the separatists are finding it more and more difficult to preserve their "image as men fighting for an idea" and to continue to wage war while simultaneously conducting negotiations. In these circumstances, the appearance in Chechnya of the "hard-liner" Raduyev is absolutely to be expected and even advantageous. First and foremost for the separatists, of course. As a diversion it is possible to publicly dissociate themselves from the "ghost" and in so doing shift from themselves responsibility for, God forbid, threats of further terrorist acts being carried out.

Whether this is actually the case will become clear in the immediate future. Quoting the press secretary of the State Committee for the Settlement of the Crisis in Chechnya, the mass media have already reported that a meeting between Colonel General Anatoliy Kvashnin, commander of the North Caucasus Military District, and Aslan Maskhadov, chief of staff of the Chechen separatists, has more or less been set up. I think that the appearance of the hard-line opposition at it will by no means be the least important issue.

Now to the situation in Chechnya during the last few days. The operation to destroy separatist bases in the region of Shatoy and in Vedenskiy Rayon is continuing. Over the last 24 hours the federal forces' positions have come under fire on 14 occasions, of which four were in Groznyy. In the region of the settlement of Dyshne-Vedeno (Vedenskiy Rayon) subunits of federal forces attacked a detachment of separatists and shot it up. Two gunmen were killed and an off-road vehicle was destroyed. No reports of losses among the servicemen were received.

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Finally, yesterday the information minister of the self-proclaimed "Republic of Ichkeria," Movladi Udugov, accused the federal forces of using chemical warfare agents in Shatoyskiy Rayon. Or to put it simply — chemical weapons. Major General Vladimir Orlov, deputy chief of the Russian Armed Forces radiation, chemical, and biological protection forces, made a sharp rebuttal of this clearly malicious disinformation. "I repeat once more and can certify with full authority that Russian forces have not used and are not using chemical weapons in Chechnya," he stated to an ITAR-TASS correspondent.

The Russian Army, according to Maj. Gen. Vladimir Orlov, has never used chemical weapons against an enemy even in wartime. Moral considerations aside, he said, there is, from the military point of view, a genuine risk of knocking out your own forces when using chemical warfare agents in mountainous localities in mist. No commander would decide to fire shells or mortars armed with chemical agents.

However, there is also a clear political motive underpinning this "propaganda attack" on the Russian Army. On Monday the 14th session of the Preparatory Commission for the Banning of Chemical Weapons opened in the Hague, in which the majority of the 160 countries which signed the Convention on Banning Chemical Weapons are taking part. The separatists are clearly counting on eliciting a response from it and to this end are spreading disinformation among the world community.

Russia: Chechen Separatist Spokesman on Raduyev Rail War Statement

LD2407173996 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1523 GMT 24 Jul 96

[FBIS Translated Text] Moscow 24 Jul — Commenting on the statement by Salman Raduyev, that he personally takes responsibility for the attempted explosion at the railway station in Voronezh, Movladi Udugov, Ichkeria's press and information minister, stated in a Moscow Ekho radio interview that "the man has been through great emotional stress, has been seriously wounded, and has lost relatives. That is why he can make such statements."

Udugov also stressed that "Raduyev does not present a problem for the Chechen side, since it is Russia that has been producing Raduyevs, and it should do everything it can to ensure that there are no Raduyevs in the country."

The position of the official Chechen separatist leadership remains unchanged, Udugov stated. It has been and remains opposed to all forms of terrorism, including terrorism by federal forces against Chechnya's civilian population.

Russia: Explosion Rocks Passenger Train in Volgograd; No Casualties

LD2507053296 Moscow ITAR-TASS in English 0520 GMT 25 Jul 96

[By Sergey Trofimov]

[FBIS Transcribed Text] VOLGOGRAD July 25 (Itar-Tass) — An explosion rocked a passenger train at the central railway station of the Russian city of Volgograd on the Volga this morning, but no casualties were reported.

City administration sources told Tass on Thursday that the blast occurred at 07:25 hours in the back platform of the last car of the passenger train number 606 bound from Astrakhan on the Caspian sea to Moscow when it stopped on the fourth track of the Volgograd station.

No other details were available so far.

On Wednesday Chechen terrorist Salman Raduyev claimed responsibility for the failed attempt to explode the main railway station in the city of Voronezh and promised new terrorist acts on Russian railways saying they were being used to deliver weapons to Chechnya.

Russia: Chechen Commander Denies Involvement in Moscow Blasts

LD2407142296 Moscow Russian Television Network in Russian 1300 GMT 24 Jul 96

[From the "Vesti" newscast]

[FBIS Translated Text] [Announcer Yuriy Novoselov] Salman Raduyev, Chechen field commander, met journalists again in a mountain area of the [Chechen] republic, REUTER reports. He said, inter alia, he was responsible for the action at the Voronezh railway station on 19 July. Raduyev said he personally was prepared to wage a war without rules throughout all Russia.

But not all field commanders shared his view. On the same day, Daud Akhmadov [field commander] met journalists in another location. He denied Chechen involvement in the blasts in Moscow trolleybuses. He said the leadership of Chechen fighters has forbidden strikes against Russian civilians.

Russia: Chechen Opposition 'Special Operation' Under Way

LD2407190796 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 24 Jul 96

[FBIS Translated Text] Our radio station has learned from Movladi Udugov, minister for the press in the

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Chechen opposition government, that Chechen detachments left the village of Bamut at about noon. Currently there are a few mobile groups in the area.

[Begin Udugov recording] The Russian side is carrying out intensive artillery and missile strikes and helicopter attacks against the virtually empty populated center. The Russians have lost dozens. They have lost about 40 of their men. According to some reports two, and according to others, four armored personnel carriers have been destroyed. In general, the operation has been successful. The task has been fulfilled and the Chechen subunits have regrouped to their main positions.

This afternoon, Chechen subunits started a special operation to destroy Russian internal troop subunits in the village of Asinovskaya. [end recording]

Economic Issues

Russia: Economy Still 'Long Way From Stabilization'

MM2407141896 Moscow FINANSOVYYE IZVESTIYA in Russian 23 Jul 96 p i

[Article by Yevgeniy Vasilchuk: "The Disadvantages of Financial Stabilization Start To Outweigh Its Advantages"]

[FBIS Translated Text] The disadvantages involved in the accelerated suppression of inflation have begun perceptibly to outweigh the potential advantages to the economy and society in mid-1996.

The acuteness of the crisis in state finances and the banking system has been smoothed out through the efforts of the government and the Bank of Russia. The clients of and investors in fairly large banks can feel relatively safe for the time being. The authorities have indicated that the state is ready to make up for deficiencies in the management of commercial banks and the loss of trust among banks themselves and between the banks and their clients — with losses that are acceptable to both clients and taxpayers.

Moreover, a precedent has been set for this kind of guarantee — the administrative transfer of one bank's assets and liabilities to another in crisis. This measure, while vulnerable from the standpoint of the basic principles of the operation of the market mechanism and free competition, is capable of preventing mass panic among banks' customers in Russia's conditions.

At least no fatal surprises in the tax and budget sphere are forecast before the end of the summer. True, no breakthrough is expected either. No radical increase in revenue or reduction in expenditure is likely. However, there is a strong likelihood that the level of the budget deficit in relation to GDP will fall somewhat in the next two months from 7-10 percent in April-June 1996 to 4-5 percent (according to the IMF's definition).

The temporary reduction in the cost of servicing the state debt will be a major factor in reducing the fiscal gap. The increase to 60-65 percent of the proportion of foreign investors involved in financing the budget deficit will also have a positive impact, particularly in the short term. Here, by all accounts, government securities will remain pretty attractive to foreigners and home investors.

True, to achieve this the government and the Central Bank have also had to adopt measures which cannot be described as altogether market-oriented. The Ministry of Finance has been instructed to reduce the return on state securities to a level consistent with the lowered inflation level, namely 1-2 percent per month. For its part the Bank of Russia, together with the Ministry of Finance, has devised a new mechanism for limiting the profitability to nonresidents of transactions involving state securities.

The use of the institution of authorized Russian intermediary banks, special accounts, and arbitrary quotations of the ruble exchange rate by the Central Bank form the basis of the new mechanism.

Both innovations are too strange for their potential effectiveness to be objectively assessed right away. But if the steps taken do prove successful, the Finance Ministry and the Bank of Russia will easily be able to put them down as professional achievements or professional secrets.

Unlike the tax and budget sphere and the banking system, the general economic conditions and the situation in the real sector of the economy have proved worse than expected. In the first half of 1996 the fall in real GDP was 6 percent compared with the first half of 1995, while the drop in industrial output went — by various assessments — from 8 to 10 percent. That was 50-100 percent more than the corresponding figures for the previous year and was completely out of line with the forecast. And this demonstrates that Russia is still, for all the official optimism, a long way from stabilization and economic recovery.

The volume of capital investment, which had remained since the second quarter of 1995 at the level of around 90 percent of the corresponding periods of past years, fell to 82 percent in May-June 1996. The growth in restrictions on demand throughout the last several months has not only significantly worsened enterprises' financial situation but has also deprived them of any prospects or incentives or opportunities for restructuring

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or modernizing production. The lack of confidence in the future pushes enterprise leaders into crazy financial deals and malpractice. In response, the state resorts to repressive new taxes.

Strictly speaking, the large-scale election "wages campaign" came to nothing. Whereas wage arrears were 60 percent of the monthly wages fund at the start of the year, they were 56 percent in mid-year. Consumption is going down: It rose by 2 percent in the first half of 1996 compared with the first half of 1995, but compared with the second half of that year fell by 15 percent.

Finally, unemployment is growing slowly but surely. The number of officially registered unemployed has risen from 3 to 4 percent. The same figure calculated according to ILO methodology has increased from 8 to 9 percent. The period taken to find work, which is now in excess of six months, is lengthening. The growth in the proportion of unemployed people who have lost their job for the second or third time is the most unfavorable trend. They lose their skills and are forced to accept less well paid jobs, with a loss of social status.

Russia: Central Bank's Dubinin on Special Regime for Unstable Banks

MM2407135996 Moscow IZVESTIYA in Russian 24 Jul 96 p 2

[Report by Mikhail Berger: "Some 448 Banks of Russia Are Leading an Active Life Beyond the Grave"]

[FBIS Translated Text] In answer to IZVESTIYA's question about the status of banks in an unstable position, Central Bank Chairman Sergey Dubinin said that this year the Central Bank revoked 165 licenses.

There have been several reports in the press about the existence of a special list of commercial banks, which, in the reporters' opinion, have been promised "eternal life" by the Central Bank — that is, they will in no case be allowed to go bankrupt. Against the backdrop of the recent scandalous bankruptcies (Tveruniversalbank and others) this question has acquired a special significance.

Sergey Dubinin said in this regard that 77 banks of various sizes, including large ones, were serviced directly at the Central Bank's Central Operations Administration. It is the banks which will continue to be serviced at the Central Bank's new unit (Operations Administration Number 2 [OPERU-2]) that will be operating under what can be called a special regime. This, however, implies that they will be placed under especially strict and close oversight — which, as a matter of fact, is the actual purpose of the OPERU-2 — rather than be given any guarantees of eternal life. Incidentally, licenses have already been revoked from 20 of the 77 banks and materials on seven more banks are still under consideration.

In total, so the Central Bank chairman said, since the time the licensing practice was introduced, 456 banks have been deprived of their licenses. As of 1 July 1996, the number of commercial banks in Russia reached 2,150. It appears, however, that only eight banks of those which were deprived of their licenses ceased to exist. The rest of them continue to live as legal persons, taking in their creditors and secretly pilfering their assets. The "life beyond the grave" of this kind for the banks that have been deprived of their licenses is the result of the imperfection of the legislation.

Sergey Dubinin also said that today the Central Bank (as well as the government, incidentally) has been placed a dilemma as to whether the present financial policy should be continued or need it be slackened so as "to feed" industrial enterprises by printing new money. Dubinin noted that the Central Bank already faced the same dilemma early this year, when opponents of the present course and its hesitant supporters demanded money for the economy. The Central Bank head said that the bank had no intention to alter its policy.

Dubinin said that the Central Bank's gold reserves, as of 15 July, stood at $14.9 billion. On 15 January, they amounted to $15 billion.

Russia: Edict on Agroprombank; State To Have Controlling Interest

MM2507101796 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 96 p 4

[Russian Federation Presidential Edict No. 1042, signed by President Yeltsin and dated 19 July 1996: "On the Agro-Industrial Bank of the Russian Federation (the Russian Agroprombank)"]

[FBIS Translated Text] With a view to improving credit and financial servicing for agro-industrial complex commodity producers, I decree that:

1. It shall be deemed necessary to set up on the basis of the Agro-Industrial Bank of the Russian Federation (the Russian Agroprombank) a national credit and financial system for servicing agro-industrial complex commodity producers.

2. The Russian Federation Government in conjunction with the Central Bank of the Russian Federation shall within one month:

submit to the Russian Federation Federal Assembly State Duma a draft federal law "On the Agro-Industrial Bank of the Russian Federation (the Russian Agroprombank)," envisaging a procedure for the state to acquire

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a controlling stake in the Agro-Industrial Bank of the Russian Federation;

examine proposals from the Agro-Industrial Bank of the Russian Federation to organize a system for providing loans to the agro- industrial complex on a competitive basis, with repayment of funds guaranteed by utilizing mortgages on personal property, real estate, and land.

3. This edict comes into force from the day it is signed.

[Signed] B. Yeltsin, Russian Federation president
[Dated] Moscow, the Kremlin
19 July 1996
No. 1042

Russia: Directive on Holding Bond Yields in Line With Inflation

MM2507085996 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 96 p 4

[Russian Federation Government Directive No. 1068, signed by Premier Chernomyrdin and dated 8 July 1996]

[FBIS Translated Text] The Russian Finance Ministry shall:

when implementing its domestic borrowings policy be guided exclusively by the requirements of bringing yields on state securities into line with the actual rate of inflation;

by agreement with the Bank of Russia restrict the volume of borrowings on the domestic financial market in the third quarter of 1996 to levels ensuring the following returns on state short-term zero-coupon bonds:

20-30 percent on three-month bonds;
30-40 percent on six-month bonds;
40-50 percent on one-year bonds;

continue the restructuring of state domestic debt, increasing the proportion of longer-dated state debt instruments.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government
[Dated] Moscow, 8 July 1996
No. 1068

Russia: 'Catastrophic' Wage Arrears Situation in Nuclear Industry

MM2407090196 Moscow IZVESTIYA in Russian 24 Jul 96 p 2

[Report by Yuriy Nevezhin: "Peaceful Atom in Militant Mood. Workers at Russian Nuclear Power Stations Preparing for Protest Actions"]

[FBIS Translated Text] The situation at nuclear energy enterprises has deteriorated sharply. Labor collective conferences are being held, while the 10th Plenum of the Russian Trade Union of Nuclear Energy Workers decided to switch the solution of labor disputes to arbitration commissions. More than likely this will produce nothing.

According to preliminary data, many nuclear power stations and enterprises from the nuclear arms complex are joining in the protest actions. But the law on nuclear energy prohibits the sector's workers from halting production: They are on the list of professions which are not allowed to strike.

According to Ministry of Atomic Energy data, the settlements crisis is the cause of the deteriorating situation. Stations are not being paid, primarily by enterprises of YeEs Rossii Russian Joint-Stock Company, which is the country's energy monopoly. The Ministry of Atomic Energy asserts that, over the first five months of the year, nuclear power stations and the Rosenergoatom Concern have received only one-half of the payments due for their output. Moreover, only 1 percent of this was in cash, the remainder took the form of bills of exchange, set-offs, and so on.

This has resulted in a catastrophic situation as regards wage payments. The situation is particularly bad at the Kursk, Kalinin, and Leningrad nuclear power stations. Incidentally, the Leningrad power station director was one of the first to take Lenenergo, an enterprise within the YeEs Rossii Russian Joint-Stock Company system, to court.

This is how one Ministry of Atomic Energy official commented on the situation: "All this has been done deliberately. Heat and hydroelectric power stations are receiving at least 11 percent in cash, while nuclear power stations get less than 1 percent!"

According to some reports, this is what Anatoliy Pavlovich Yeperin, [director of the Leningrad nuclear power station], will do in the near future. According to IZVESTIYA's information, he may be followed by other directors. [paragraph as published]

The situation is perceived somewhat differently at Anatoliy Dyakov's agency (YeEs Rossii Russian Joint-

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Stock Company). People there assume that the nuclear industry workers are especially whipping up the situation. The state of affairs as regards settlements in the sector is bad, but not worse than in other sectors.

The sectoral trade union, which unites workers not only from nuclear power stations but also for the nuclear arms complex, has sent a letter to Viktor Chernomyrdin warning about an emergency situation in secret territorial complexes and in the sector's enterprises.

Nobody can offer a fundamental solution to the problem of settlements, which the majority of directors in the sector perceive as the root of the problem. In a conversation with IZVESTIYA Tuesday [23 July], Vladimir Gridnev, director of Voronezh nuclear power station, said in particular:

"The situation here is bad! Wage arrears stretch over a period of about four months. While I am not getting paid for the output, I cannot look after the workers. I cannot pay my debts to the budget, yet meanwhile the taxmen, whose numerical strength exceeds that of the workforce, are adding up the fines. This is how nuclear power stations will end up bankrupt."

The Council of Nuclear Power Stations Directors, on the request of the trade union which has been sounding total alarm since the elections, has decided that in August the ministry leadership should — come what may — settle the sector's wage arrears for up to and including June. It is estimated that this will require 85 billion rubles. It is expected that this money will come from a loan, the source of which has not yet been announced.

Russia: Problems Seen in Upper House Farm Aid Decree

MM2407122596 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jul 96 p 1

[Report by Aleksey Artemyev: "New Grain, Old Problems. Federation Council Adopts Decree 'On Funding the 1996 Harvest Campaign'"]

[FBIS Translated Text] As was the case last year, farms are short of equipment, fertilizer, fuels, lubricants, and, above all, the money to acquire them.

According to figures from the Federation Council and the Russian Federation Ministry of Agriculture and Food, only 273,000 grain harvesting combines are actually in working order, whereas the agro-industrial complex needs 400-450,000. There is a mounting number of unrepaired tractors, grain harvesting combines, and other pieces of agricultural equipment. The agricultural machines being leased do not cover more than 12 percent of the numbers being lost.

As for fuels and lubricants, there are problems there too. The cost of shipping them to the countryside on the basis of a commodity loan should be around 13 trillion rubles [R]. But the suppliers — the oil companies — are thwarting the timetable for supplying the agro-industrial complex with these goods.

But the harvest covers an increasingly large area, and we need to urgently solve the problems that have built up.

The Federation Council decree "On the Funding of the 1996 Harvest Campaign" (No. 264 of 17 July) envisages a range of measures to improve material and technical provision and funding for the agro-industrial complex. But virtually all of these amount to "wholesale" subsidies for the agricultural sphere.

The government has been instructed to urgently "cough up" R1.7 trillion — of which R700 billion will go on funding leased agricultural equipment, while R1 trillion will provide compensation for the cost of fertilizer and plant protection agents.

Since most agricultural enterprises cannot afford the constantly rising price of fuels and lubricants, the Finance Ministry has been instructed to urgently [sentence incomplete as published]. According to information from the Finance Ministry and sources at the Russian Federation Government, the proposed financial "injections" for the agro-industrial complex will be very problematic. If only because of inadequate tax revenues.

Russia: Coal Miners Want To Break 'Vicious Circle' of Debt

MM2407150296 Moscow ROSSIYSKIYE VESTI in Russian 24 Jul 96 p 1

[Report by Feliks Babitskiy: "If Coal Miners' Wages Are 'Frozen' They Will Make Us Freeze in Winter"]

[FBIS Translated Text] Alarming reports are being received daily from the country's coal-mining areas. Miners are hungry, and not because they have declared a hunger strike but simply because they are not receiving their wages. Observers are predicting that by the end of July the entire coal sector will be paralyzed by a spontaneous strike.

But Vitaliy Budko, leader of the All-Russia Independent Coal Miners' Trade Union, reassured ROSSIYSKIYE VESTI's correspondent that so far it has merely called a conference on this question in the first half of August. The trade union is monitoring the situation and trying to prevent disruption.

"We are perfectly well aware," Vitaliy Ivanovich said, "that if we stop dispatching coal to consumers the entire

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country, and above all miners' settlements themselves, will be left without heating, lighting, or transportation. But the situation is becoming ominous. All the money sent by the government to pay off debts to our sector has been given to consumers, who have not paid and are not paying for coal. Our consumers are primarily power industry workers, who in turn are not being paid by the defense industry, which accounts for something in the order of 90 percent of all industry in Maritime Kray and which in turn has not received what it is owed for state orders. It is a vicious circle. Any miner sensibly realizes this but justifiably asks: Why should I be the 'last in line'"?

Budko also complained that with Anatoliy Chubays' departure from the government it no longer has anyone specifically studying miners' problems. He said that he had recently held talks with First Vice Premier Kadannikov but "did not discern any interest on his part."

ROSSIYSKIYE VESTI's correspondent took the opportunity to ask the Russian coal miners' leader for his assessment of the situation of his colleagues in Ukraine, where miners have already not only gone on strike but also blocked railroad lines.

"It is even harder for them than it is for us," Mr. Budko replied, "because the geological conditions there are worse and the state is poorer. But, I fear, we do not need to cut down the taiga in order to block the supply lines. Right now coal reserves are being built up for the winter. God forbid that there is a stoppage, because we will simply make all Russia freeze in the winter. The main thing is that we are perfectly well aware that this must be prevented. At the moment we are doing what we can. But it is hard to predict what people will be capable of in desperation."

Russia: Slump in Gold Extraction, Deliveries Reported

MM2407143496 Moscow IZVESTIYA in Russian 20 Jul 96 p 2

[Report by Elmar Guseynov: "Russian Authorities Do Not Even Need Gold"]

[FBIS Translated Text] The rate of gold extraction in Russia has started to nosedive. Since the start of the season deliveries of metal to refineries have already fallen by 20 percent compared with last year. The state is not paying for the gold that has already been supplied. Nearly 1 trillion rubles [R] is owed for metal supplies since May.

This means that gold miners, while continuing to work, are receiving virtually no money. The work of prospectors and joint-stock mining enterprises in the main gold mining regions in Chita Oblast, Yakutia, and Chukotka has almost come to a halt.

The reason for the financial crisis is simple: There is no money in the budget to buy precious metals. That is, there is a budget item of R9.45 trillion for 1996, but no actual money — either the election consumed it or funds for gold ended up as uncollected taxes.

If gold extraction stops, approximately one-fourth of the territory of Russia will be deprived of its livelihood. In regions like Magadan Oblast and Chukotsk Autonomous Okrug virtually the entire local budget and people's livelihoods are tied up with gold mining. Over 350,000 people are directly employed in this sector in Russia.

The regions' gold miners, prospectors, and administrations have been unable to persuade the Finance Ministry to do the simple, albeit somewhat ostensibly seditious, thing: Print money to buy gold, the world's most cashable commodity.

Indeed gold is the best cover for all securities, and above all for money. Buying gold from your producers means that you are buying for rubles the foreign exchange into which the purchased gold can be instantly converted on the foreign market. And this foreign exchange can easily draw off surplus rubles if they appear on the domestic market.

Budget losses in the event of the curtailment of gold extraction could, it is estimated, amount to R2 trillion, and the nonrepayment of advances made at the beginning of the year would add another R1.8 trillion.

Russia's foreign currency revenue would inevitably fall, because the steep decline in gold extraction would deprive the country of the opportunity to export approximately 100 tonnes of gold ($1.2 billion).

Indeed every gram of gold mined provides the state with 60 percent net profit — that is the proportion of tax in the prime cost of the precious metal. It is because of these outrageous taxes that the cost of gold produced here is above the world price and above the purchase price proposed by the state.

At the moment the Committee for Precious Metals and Precious Stones buys gold from miners at R62,900 per gram. One year ago, in May 1995, the price was R63,100. Since then the cost of everything the gold miners use has soared, but the price of gold has fallen.

The prospectors calculated that even if the state were to buy gold at R100,000 per gram — and that is higher than the world price, which is around $12.5 per gram — it would still be a profitable transaction for the state. After all, because of the taxes to be paid back to the state by the gold miners, the gold would actually cost the state approximately $9 per gram. But it, the state, evidently no longer needs anything after the election.

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International Affairs

Ukraine: Foreign Ministry Invites Russia To Restart Negotiations

LD2307120796 Kiev UNIAN in Ukrainian 1050 GMT 23 Jul 96

[FBIS Translated Text] Kiev — The Ukrainian Ministry of Foreign Affairs has invited the Russian side to restart the negotiating process in all areas of cooperation between the two countries, Ukrainian Foreign Minister Hennadiy Udovenko told a news conference on 23 July.

The Ukrainian Foreign Ministry has proposed a number of steps to boost the dialogue. It plans to invite Russian Foreign Affairs Minister Yevgeniy Primakov to pay an official visit to Ukraine, step up the activities of the joint commission headed by the prime ministers, and prepare for an official visit to Russia by Prime Minister Pavlo Lazarenko and a working visit by Udovenko. The foreign minister said the Russian side welcomed Ukraine's proposal to start negotiations on border issues.

According to the minister, the two countries' presidents will meet when President Leonid Kuchma goes to Moscow to attend President Boris Yeltsin's inauguration ceremony on 9 August. Udovenko expressed confidence that the meeting would give an impetus to the negotiating process.

Ukraine: Kiev Seeks 'Active' Relations With Russia

LD2407134996 Moscow INTERFAX in English 1326 GMT 24 Jul 96

[FBIS Transcribed Text] KIEV, July 24 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma's chief of staff said on Wednesday "active" relations with Russia were one of the top priorities of Ukraine's foreign policy.

Speaking at a news briefing in Kiev, Dmytro Tabachnyk called for solving problems "that have accumulated" in relations between the two former Soviet republics.

He said Ukraine wanted to develop trade and economic cooperation with Russia. He urged the removal of "unnecessary and unjustified" customs barriers between the two countries and a solution of the problems over the Black Sea Fleet.

The two countries should "at last" get down to signing a friendship and cooperation treaty which they had already initialled, he said.

He described Ukraine's current foreign policy as "multivectored."

"The most pragmatic approach" to shaping one's foreign policy is the "classical diplomacy" principle that "there are no eternal friends but there are eternal interests," he said.

Ukraine: Udovenko's Comments on Relations With Russia

WS2407133196 Kiev INTELNEWS in English 0057 GMT 24 Jul 96

[FBIS Transcribed Text] Kiev, July 23 — A comprehensive treaty of relations is Ukraine's most important goal in relations with Russia, Foreign Affairs Minister Hennadiy Udovenko said Tuesday.

"Unconditionally, the main goal of Ukraine's relations with Russia is to sign the comprehensive treaty with the Russian Federation," Udovenko said.

The Minister also announced that President Leonid Kuchma will visit Russia Aug. 9 for the inauguration of Russian President Boris Yeltsin and then conduct talks in Moscow. Topics include border issues and the Russian Black Sea Fleet based on Ukrainian territory.

Ukraine still has not received an answer from Russian Prime Minister Victor Chernomyrdin on visiting Ukraine. "We are ready for Ukrainian Prime Minister's visit to Moscow," Udovenko said.

The International Committee on Economic Cooperation meeting is scheduled to open today, with both, Russia and Ukraine participating. According to Udovenko Ukraine's deputy foreign affairs minister Borys Hudyma and Ukraine's foreign Trade Minister Serhiy Osyka will participate in the meeting

Ukraine: Kiev Seeks Explanation for Duma Deputy Speaker's Remarks

LD2307124896 Kiev UNIAN in Ukrainian 1050 GMT 23 Jul 96

[FBIS Translated Text] Kiev — The Ukrainian Foreign Ministry has sent a note to the Russian Ministry of Foreign Affairs requesting an official comment on statements made by State Duma Deputy Chairman Sergey Baburin about Ukraine, Ukrainian Foreign Minister Hennadiy Udovenko told a news conference in on 23 July.

The foreign minister said that Ukrainian law enforcement authorities warned the Russian deputy speaker during his visit to Crimea on 20 July about the unacceptability of anti-Ukrainian appeals.

Asked whether Baburin would be declared persona non grata in Ukraine, Udovenko said the Ukrainian Foreign Ministry's decision would depend on the official reaction from the Russian Foreign Ministry.

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Ukraine: Kuchma, Moldovan Prime Minister Discuss Bilateral Trade

LD2407123796 Kiev UNIAN in Ukrainian 1015 GMT 24 Jul 96

[FBIS Translated Text] Crimea — Ukrainian President Leonid Kuchma received Moldovan Prime Minister Andrei Sangheli on 24 July at his holiday residence in Crimea, at the request of the Moldovan Government, the presidential press service reports.

During the working meeting, the sides discussed ways to expand bilateral economic cooperation within the framework of existing agreements. The two officials spoke about the implementation of the free trade agreement between Ukraine and Moldova; ways to improve the functioning of the joint energy system; improvements in the delivery of Ukrainian coal to Moldovan enterprises; and transit shipments from Moldova through the Ukrainian territory.

Ukraine: Moroz, Germany's Suessmuth on Problems of NATO Expansion

LD2307115196 Kiev UNIAN in Ukrainian 1050 GMT 23 Jul 96

[FBIS Translated Text] Kiev — Countries wishing to join NATO should negotiate with nonaligned states about the deployment of nuclear weapons on their territories, German Bundestag President Rita Suessmuth told a news conference in Kiev on 23 July.

She said the issue is to become a subject of interstate negotiations and discussions within international organizations. "This conflict of interests between neutral states and alliance members should be resolved jointly, by all means taking account of Russia and Ukraine's positions," she said.

Ukrainian Supreme Council Chairman Oleksandr Moroz stressed that NATO's expansion to the East does not accord with the idea of extending nuclear-free zones. He called for "multilateral discussions and a multispectral analysis" of the problem. He complained that some states wishing to join NATO display "little regard for the interests of their neighboring countries."

"It is possible to talk in abstract terms about weapon-free NATO expansion or the enlargement of the alliance's political structure, but the reality is quite different," the Ukrainian speaker said. That is why Ukraine, looking after its own interests, seeks to promote the idea of creating a nonaligned zone in the region, he added.

Ukraine: Prime Minister Lazarenko's U.S. Visit Previewed

WS2407130296 Kiev INTELNEWS in English 0057 GMT 24 Jul 96

[FBIS Transcribed Text] Kiev, July 23 — While in the United States July 25-27, Prime Minister Pavlo Lazarenko will discuss loans for restructuring the nation's agriculture industry as well as the fuel and energy complex, Foreign Affairs Ministry officials announced Tuesday.

The Ukrainian delegation will include Foreign Affairs Minister Hennadiy Udovenko, National Bank of Ukraine Chairman Viktor Yushchenko, National Agency for Reconstruction and Development Chairman Roman Shpek, State Property Fund Chairman Yuriy Yekhanurov and First Deputy Finance Minister Mykola Honcharuk. Yushchenko and Shpek paved the way for the trip while they were in Washington, D.C., last week meeting with officials of the World Bank and International Monetary Fund.

According to Foreign Affairs Ministry officials, meetings with IMF executive director Michael Camdessus and World Bank President James D. Wolfensohn, Ukraine's delegation will discuss the latest progress and prognosis for economic reforms in Ukraine.

Lazarenko is scheduled to speak in the U.S. Overseas Private Industry Council and the U.S. National Press Club.

Ukraine: Lazarenko Visits Bulgaria To Give 'Impetus' to Ties

AU2407131196 Kiev HOLOS UKRAYINY in Ukrainian 23 Jul 96 pp 1, 5

[Unattributed report: "What Will the Two Prime Ministers Agree Upon?"]

[FBIS Translated Text] Today [23 July], Ukraine's Prime Minister Pavlo Lazarenko is starting his two-day official visit to the People's Republic of Bulgaria. During the visit, meetings and talks have been scheduled with Bulgarian President Zhelyu Zhelev, Council of Ministers Chairman Zhan Videnov, head of the National Assembly Blagovest Sendov, and Foreign Minister Georgi Pirinski.

The state and prospects of cooperation in such spheres as the fuel and energy complex, machine building and [military] conversion, agriculture and processing of agricultural products, transport, communications, and the development of natural resources will be comprehensively analyzed. Issues concerning the further expansion

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of interaction in spheres of science, education, and culture will also be tackled.

Based upon the results of the visit, it is planned to sign a joint statement by the prime ministers of the two countries and a package of bilateral documents, in particular in the spheres of science and technology, health protection, culture, and tourism, and also a consular convention.

The Republic of Bulgaria occupies a major place among Ukraine's external political interests. Our states are united by traditional historical ties and related languages, religions, and cultures, as well as by long-standing trade and economic relations. The largest Bulgarian diaspora resides in Ukraine, and a considerable Ukrainian community resides in Bulgaria. Bulgaria's geopolitical situation in the Balkan region, its geographical proximity to Ukraine's borders, and the well-developed transportation system, and in particular the Illichivsk-Varna ferry complex, are important factors.

Both countries have their interests in the Black Sea and Danube regions. Following the establishment of diplomatic relations between Ukraine and the Republic of Bulgaria and the signing of the agreement on relations of friendship and cooperation between Ukraine and the Republic of Bulgaria, an active process has been under way on working out a contractual and legal foundation for the bilateral relations. Over the last two years a series of intergovernmental and interdepartmental documents have been signed in the economic, trade, transport, science, and education spheres.

However, the potential for practical and mutually advantageous cooperation is far from being fully utilized. The official visit by Prime Minister Pavlo Lazarenko to Sofia must become a significant impetus to further intensification of the cooperation between Ukraine and Bulgaria in many directions and spheres.

National Affairs

Ukraine: Kuchma To Make New Government Appointments in August

LD2407182796 Moscow INTERFAX in English 1604 GMT 24 Jul 96

[FBIS Transcribed Text] Kiev, July 24 (Interfax-Ukraine) — In August, President Leonid Kuchma of Ukraine will make some new appointments in the Ukrainian Government, Presidential Administration Head Dmytro Tabachnyk said.

Addressing a news-briefing at the presidential Administration today, D. Tabachnyk added that "certain structures" will be eliminated.

According to him, the presidential "reorganization concept" will also be made public in August. D. Tabachnyk explained that the administration staff shall also be reduced. "Although the decision on cutting the Government personnel does not apply to us, we should support this initiative and reduce the presidential apparatus to the same degree", he said.

D. Tabachnyk added that the President is currently examining proposals from the Cabinet of Ministers and the Presidential Administration on altering the structure of executive power.

Ukraine: Tabachnyk Says Cuts Planned in Executive Structures

LD2407204796 Kiev UNIAR in Ukrainian 1545 GMT 24 Jul 96

[FBIS Translated Text] Kiev [no dateline as received] — The president keeps his attention constantly focused on the payment of wages, the harvest in Ukraine, and the preparation of a report to be delivered by him at the celebration of the fifth anniversary of Ukraine's independence, Dmytro Tabachnyk, head of the president's administration, noted at a routine briefing at the president's administration. He also said that very soon the president will sign a number of edicts on structural transformation in the central executive authorities. In particular, it is planned to cut the number of executive structures.

Tabachnyk said that a special commission is being set up under the chairmanship of the president. It will include, on Kuchma's proposal, Oleksandr Moroz, the head of the Ukrainian Supreme Council, and the Prime Minister of Ukraine Pavlo Lazarenko. It is planned that the commission, which will have the task of popularizing the text of the Constitution in the country, will also include several ministers, people's deputies of Ukraine, and Ukraine's leading scientists.

In connection with the approval of the Constitution at the new session of the Supreme Council it is planned to approve laws on regional and district administration. A commentary to the Ukrainian Constitution is also being prepared, Tabachnyk said. From the beginning of the new academic year, it is planned to introduce in higher educational establishments a special course to study the Constitution.

Tabachnyk noted that he does not know anything about new facts concerning last week's attempt on the life of the prime minister.

Awards to people's deputies of the previous and current convocation were also discussed at the briefing. However, Tabachnyk said, a group of the deputies from

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the Communist faction in the Supreme Council with Petro Symonenko at its head, and a group of deputies-servicemen with Hryhoriy Omelchenko at its head have refused to receive the president's awards. "The opinion of the deputies must be accepted. It should not be ignored, Tabachnyk noted. If people are convinced that they cannot receive awards for adopting the new constitution, then indeed, they should not be given any."

Tabachnyk stated that a state of emergency is not envisaged in Ukraine and he, personally, does not see the need for it. What is being done in Ukraine now is not even elements of a state of emergency but just "the continuation of work aimed at establishing order."

"One of Ukraine's main priorities in international relations, is, in particular, to achieve more active relations with Russia, to strengthen trade and economic relations with it, to soften customs barriers, and to settle the problem of the Black Sea Fleet," said Tabachnyk.

Ukraine: Accident Occurs at Nuclear Power Plant During Tests

LD2507101896 Moscow INTERFAX in English 0959 GMT 25 Jul 96

[FBIS Transcribed Text] KIEV, July 25 (Interfax-Ukraine) — During hydro tests of the first circuit at the first power unit of the Khmelnitskaya nuclear power station in Ukraine, water got into the nitrogen supply line from the circuit and spread to the nitrogen-oxygen section, Ukraine's Atomic Energy Committee (Goskomatom) has reported, blaming the accident on human error.

Estimating marginal radiation at 60-100 microroentgen an hour, the committee said the polluted spots had been decontaminated.

According to a preliminary estimate, the incident falls under category 1 of the international nuclear event scale (INES).

The committee said workers were not exposed to radiation, nor was the environment adversely affected. A commission has been set up to investigate the incident.

The first power unit at the plant has been undergoing major repairs since April 20, 1996.

Meanwhile, the committee reported the death of a plant worker on Wednesday, following the rupture of a 38-mm steam supply line, as a result of which the worker suffered a head injury and burns.

The accident occurred at 5:50 p.m., when the preventive valves of the pressure compensator were switched out after hydro tests on the first and second circuits at the first power unit.

Ukraine: Crimean Tatars Take Anti-Russian Stance

MM2307130596 Moscow PRAVDA-5 in Russian 19-26 Jul 96 p 2

[Report by Sergey Ilchenko: "The Democracy of the Horde: Ethnic Intolerance"]

[FBIS Translated Text] Simferopol — To achieve Tatar autonomy at all costs is the aim set by the Third Kurultay of Crimean Tatars. This congress of "the indigenous people of the Crimea" was held in the Ukrainian Theater of Simferopol. The kurultay expressed the ideology of the mejlis (the Crimean Tatars' leading sociopolitical organization) in concentrated form. The movement declared its readiness to "totally eliminate the Russian colonial regime in the Crimea and restore the natural rights of the Crimean Tatar people."

One-third of the new leaders of the mejlis elected at the kurultay are radicals under the leadership of Enver Kurtiyev. Their calls to deal with "officials in the Russian colonial administration" and prepare for "a prolonged mass campaign of civil disobedience" have seriously alarmed people living on the peninsula. Even Rifat Chubarov, head of the Tatar "moderates," has explained to his compatriots that, "having set ourselves these most radical, correct objectives, we must discuss not only what needs to be done, but how it can be done."

Mejlis Chairman Mustafa Dzhemilev has described the Republic of Crimea parliament as "chauvinist and semifascist" simply because Crimean parliamentarians do their best to try to protect the interests of Russians living here.

"It is being said by people in our city — and, therefore, by members of the mejlis too — that we must take more decisive action to attain our rights," Dzhemilev said at the kurultay. "I fully agree with this. Our concept of decisive action must be given specific form."

And there are people to give it specific form. Against the background of social inertia and disunity displayed by the majority of people living in Crimea, Tatar communities clearly stand out because of their strict organization based on the combination of a national-religious idea and unconditional, virtually total subordination to the leaders of the movement. Those who dare to disobey are shown no mercy. Combat detachments of "soldiers" are constantly trained by Chechen militants and instructors from the Ukrainian National Assembly-Ukrainian People's Self-Defense, an ultranationalist Ukrainian organization. Dense rings of Tatar settlements stretching many kilometers encircle towns and large villages in the Crimea.

According to Dzhemilev, the mejlis information service has drawn up a list of newspapers and journalists noted

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for their "chauvinist, anti-Tatar publications." Top of the list comes FLAG RODINY, the newspaper of the Russian Black Sea Fleet in Sevastopol. A number of Moscow publications are also featured.

At the same time, the mejlis has itself persistently worked on international public opinion for several years. Dzhemilev alone gives 100-150 interviews to large foreign publications and television companies every year. The mejlis bombards the United Nations, the Organization for Security and Cooperation in Europe, and other international organizations with all kinds of statements and appeals, in which the situation in Crimea is presented as "discrimination against the Crimean Tatar people in all spheres of life."

For some reason, the fact that the international community is being pumped with far from objective information little concerns Slav politicians. But it should concern them. The Croats and Muslims won the war in the newspapers and, as a result, also emerged the victors in the civil war (with help from the committed West). The war in Chechnya also began along similar lines....

In his report to the third kurultay, the mejlis chairman complained: "It is sad that we do not get proper support from Ukraine in our confrontation with chauvinism — and sometimes with Russian fascism — in Crimea, despite the fact that the Crimean Tatars and their mejlis have always been the main, most consistent supporters of a unified, independent Ukraine."

Here Mustafa is clearly cutting off his nose to spite his face. Ukraine's executive authorities, and its presidential administration in particular, are doing everything possible to help to strengthen the "Tatar factor" as the main alternative to the pro-Russian majority in Crimea. One glaring fact is that neither the mejlis nor the kurultay have yet registered with organs of justice, although they operate openly, gathering momentum with every year.

It is obvious that Kiev cannot give its allies in Crimea any meaningful financial support because of the holes in its own pockets. So others are taking up the cause. The Turkish ambassador and official representatives of Germany and Britain were guests of honor and active participants in the third kurultay. A speech of welcome was given by Irena Lyasota [name as transliterated], chairwoman of the Institute for the Support of Democracy in East Europe. This institute is in the United States and is financed by U.S. Congress.

Mrs. Lyasota's speech was full of triumphant emotionalism: "Amidst the ruins of the Soviet empire, some hear foul language, some see mountains of garbage, and others simply reek of vodka, while the Crimean Tatars are building lives and homes for themselves. Everyone who lived in the former Soviet Union thought of themselves as Soviet. But you did not become Soviet — there is something very un-Soviet about your civilization. For that reason, I believe, the Crimean Tatars have been an inspirational force for democrats in East Europe and the former USSR. The fact that the Crimean Tatars have been able to organize themselves so well can only be of benefit to the new Ukrainian state. I would like you to be an example of how to build democracy on ruins."

No comment is needed....

Economic Issues

Ukraine: Prospects for Foreign Investment in Crimea Reviewed

AU2507114096 Kiev URYADOVYY KURYER in Ukrainian 23 Jul 96 p 3

[Report by Oleh Oliynyk: "A Crimean Investment Surge. Is It Possible?"]

[FBIS Translated Text] A recent session of the Crimean Autonomous Republic Supreme Council adopted the law "On Foreign Investments." In the general opinion of the parliamentarians, this law, while applying to the whole of Ukraine's legal area, will first and foremost boost the investment process in the Crimea through the introduction of additional tax benefits. This will apply to those enterprises with foreign capital that operate in areas that are a priority for the peninsula's economy.

The law was adopted just in time: In October, an International Business and Investment Forum will be held in the Crimea. Crimean Prime Minister Arkadiy Demydenko has already held the first session of the coordination council of the future congress of investors. He pointed out in an interview for URYADOVYY KURYER that more than 150 foreign and 500 Ukrainian companies are expected to take part in the "Crimea-96" forum.

The Black Sea Economic Cooperation working group will also hold meetings to discuss principles of investment cooperation between countries of the Black Sea Economic Cooperation Region, the procedure for protecting investments, and the creation of a database on investment projects. The "Kyyiv" Ukrainian International forum, headed by Serhiy Pachkovskyy, will be the Crimeans' main partner in organizing the Crimean meeting. The hosts are counting on successful cooperation with it, not without reason, as this year, the Kievans have already held a major international investment forum in Vienna, where about 100 Ukrainian projects were presented.

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In Vienna, the European Bank for Reconstruction and Development selected 15 projects, and this is considered a good result. The attractiveness of the projects is largely due to the fact that they used the UNIDO technique and fully conform to international standards.

Investment Priorities

As is known, by Ukrainian presidential edict, the Crimea has been granted the right to act as a guarantor of foreign investments. As a further development of the provision, says A. Demydenko, a financial reserve of 4 trillion karbovantsi has been approved in the Crimean budget, and a property fund is now being created. These and other types of government guarantees must improve the investment climate in the Crimea significantly.

This region could be particularly attractive for investors primarily in the oil and gas complex, the reconstruction of sea ports and airports, health resorts, the sphere of recreation, and the agrarian (processing) sector. It is precisely there that investors can count on reliable and quick profits.

The energy-extraction complex in the Crimea already stands on its own feet with the help of foreign capital. The British Company JKX owns 45 percent of shares of the "Crimean Oil Company" joint venture (the rest belongs to "Chornmornaftohaz" [Black Sea Oil and Gas]), and it has already invested $8.5 million in the Black Sea Shelf's first borehole on the 250 square kilometers "Delfin" field. Unfortunately, the borehole turned out to be unproductive, but the British intend to intensify their geological surveys. This was agreed at recent talks between JKX representatives and the leadership of "Chornomornaftohaz." A few days ago, it became known after a meeting between Ukrainian President L. Kuchma and the leadership of the "Shell" company that the company is ready to invest up to $1 billion in the development and extraction of oil from the shelf.

The government of the Netherlands put into effect a pilot project on building a $1.2 million hatchery in Saky Rayon.

Work is now under way on a strategic program for creating free economic zones in the Crimea as a whole, and this program must be adopted by the time the forum starts. Olena Sokolova, head of the Crimean Resource Center and member of the "Crimea-96" coordination council, believes that the region is already over the period of political instability and that it is time to put things right and concentrate scientific and intellectual potential on problems of economic revival.

Where's Crimea and Where's Rome [De Krym, a de Rym]

The further increase in the influx of capital, the Crimean prime minister believes, is also hampered by the absence of a clearly defined right to ownership of land. However, the adoption of Ukraine's Constitution opens up new possibilities for the investor. The heavy tax burden, which does not, as a matter of fact, provide incentives for the producer, is a serious shortcoming. Here, one has to take bold steps to reform the taxation system.

There are almost 500 unfinished construction facilities in the Crimea's health resort and recreational complex. They may be bought, rented, or obtained as concessions, and joint enterprises may be created there. In particular, an unfinished hotel project in Yalta large enough to accommodate 450 persons is awaiting a proprietor. An additional sum of almost $30 million must be invested in it. The Crimean government is conducting negotiations with several foreign firms and hopes to be able to reach a mutually advantageous accord.

On the whole, health resorts and tourism account for more than 20 percent of the Crimean economy. This index could even increase, since the indicator plan for the region's economic and social development in 1996 envisages a 74.6 percent increase in the volume of all types of services provided in this sector compared with the prices in 1995; at the same time, it is forecast that the number of holiday-makers will increase by just 28 percent. Thus, it is hoped in the Crimea that the health-resort infrastructure will be expanded and the quality of catering and additional services upgraded.

Crimean Prime Minister A. Demydenko and president of the "Kyyiv" Ukrainian International Forum S. Pachkovskyy are convinced that the "Crimea-96" Forum will become a significant landmark on the road toward the region's economic revival. If 1,015 investment projects are implemented in the Crimea, this will be considered quite a weighty result. It is expected that the largest number of projects will be in the sphere of machine building and agro-industrial, chemical, and electronic industries, although any investor can find a suitable project in which to apply his efforts.

Political passions in the Crimea have retreated to the background. It is noteworthy that TAVRIYSKIYE VEDOMOSTI, a newspaper that had until quite recently been among influential politicized newspapers, announced its closure and, at the same time, the creation of a new publication that would mainly report on socioeconomic and intellectual aspects of current life in the Crimea. Indeed, it is time to look at new realities and get down to rendering this land of plenty even more habitable.

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As is the case with an open economy, this must be done with the help of foreign investors, so that the Crimea and Rome, for one thing, and other centers of the world economy would be on an equal footing and would speak a single language of cooperation.

Ukraine: IMF To Provide Capital for Hryvnya Stabilization Fund

AU2307125296 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 20 Jul 96 p 1

[Unattributed report: "We Will Have the Hryvnya, but...."]

[FBIS Translated Text] **Ukraine intends to turn to the IMF with a request to provide capital for creating a stabilization fund for the new national currency — the hryvnya, stated Viktor Yushchenko, head of the board of the Ukrainian National Bank. On Thursday [18 July], at a news conference in Kiev, V. Yushchenko reminded the journalists that the IMF Board of Directors approved a mechanism for granting Ukraine this capital next year. He pointed out that Ukraine may become the first country to make use of the IMF to form such a fund in carrying out its monetary reform.**

According to Yushchenko, this issue was discussed in the course of a recent seminar held in Washington by the IMF and World Bank especially for Ukraine. He said that, in the course of the seminar, the sides discussed "all possible difficulties that may arise during the project's implementation."

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Belarus

Belarus: Lukashenka Begins Visit to Turkey, Signs Friendship Treaty

LD2407171996 Minsk Radio Minsk Network in Belarusian 1600 GMT 24 Jul 96

[FBIS Translated Text] A three-day official visit by the President of Belarus Alyaksandr Lukashenka to Turkey started today. Our correspondent Svyatlana Ilyushenka has just come on the line from Istanbul:

[Ilyushenka] The highlight of the first day of the first visit by an official delegation from Belarus to the Republic of Turkey, headed by our head of state, can undoubtedly be considered the signing of a treaty on friendship and cooperation between the two countries. Belarusian President Lukashenka and Suleyman Demirel, president of the Republic of Turkey, took part in the signing ceremony. A joint communique was approved and a series of other documents were signed.

It must be noted that officials of the Republic of Turkey and the Turkish public are attributing great importance to this visit by the Belarusian Government delegation. This is shown by the following fact of special importance: When the Belarusian president's airplane flew into Ankara, it was accompanied by four planes of the Turkish Air Force. This was the first time I have seen such a thing. It was triumphant and beautiful. In Ankara our head of state met Turkish President Demirel in the presidential palace. Then the presidents of the two states inspected the guard of honor.

Lukashenka noted that the delegation from Belarus had come to Turkey in order to confirm our readiness for equal and mutually beneficial cooperation. The strategy of Belarusian foreign policy is based on the principles of openness and multidirectedness, an aspiration for wide-scale cooperation.

The signing today of all these documents shows the fruitful and constructive character of Belarusian-Turkish relations and lays a solid legal foundation for deepening cooperation. There are great prospects in this area. Last year the volume of trade turnover between Belarus and Turkey amounted to $33 million. This is lower than its potential.

For investments to come there needs to be [?strong] and constant political contacts. Various directions of bilateral links between the states were discussed by Lukashenka and Demirel in a one to one meeting. Then talks were held in expanded form, in which the official delegations of the two states took part. The outcome of the talks was the signing of the documents I mentioned.

At present, our head of state is having a meeting with Turkish Prime Minister Necmettin Erbakan.

Belarus: Delegation Negotiates Finance, Crime, Tourism in Turkey

WS2507114296 Minsk Radio Minsk Network in Belarusian 0400 GMT 25 Jul 96

[FBIS Translated Text] Today is the second day of the official visit by a Belarusian delegation, headed by President Alyaksandr Lukashenka, to Turkey. Our special correspondent, Svyatlana Ilyushenka, is reporting on the phone from Ankara [for the Radiofact program]:

[Ilyushenka] The talks may be considered successful and fruitful. There will be mutual relations between friends and equal partners. This is how President Alyaksandr Lukashenka assessed the results of the top-level talks. He supported this conclusion with specific facts or, to be precise, by citing the names of the documents that were signed on the first day of the official visit by the Belarus government delegation.

I will recall these documents. The basic document was a treaty on friendship and cooperation signed by Belarusian President Alyaksandr Lukashenka and Turkish President Suleyman Demirel. The heads of the two states also signed a joint communique. Ministers of the two countries signed an agreement on avoiding double taxation; an agreement with Turkey's bank [name indistinct] on allotting a credit to Belarus; an agreement on tourism development; and an agreement on cooperation in combating organized international crime, drug trafficking, and terrorism.

As President Lukashenka noted in a statement for journalists, now it is time to implement the provisions of the treaty in specific programs. There are great prospects here. For example, last year's commodity turnover between Belarus and Turkey amounted to $53 million. There are great potential possibilities to increase (?this figure). Large investments, however, require strong and permanent political contacts. Such contacts are being established. Eight bilateral agreements were signed earlier. During the current visit, five more agreements have been signed.

The heads of the two states also discussed the question of CIS development, Caucasian problems, NATO expansion, and the creation of a nuclear-free zone in Central and East Europe, an initiative proposed by Belarus. The leaders of both states reached mutual understanding on all these questions.

As it was noted at a meeting with journalists, the Republic of Turkey is a particular bridge between Asia and Europe. As for Belarus, it is in the center of the European continent. The two countries should use this advantageous geographical location for fruitful and good-neighborly bilateral relations. This is well understood in

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Turkey, which is attributing great importance to the official visit by the Belarusian delegation. This was testified to by the following interesting fact: when the Belarusian delegation flew to Ankara, the presidential airplane was accompanied by four planes of the Turkish Air Force. This was a sign of great respect. Subsequently, the official delegation, led by our head of state, Alyaksandr Lukashenka, was met in the presidential palace of the Turkish Republic by Turkish President Suleyman Demirel and other officials.

Yesterday the president of Belarus invited the president of the Republic of Turkey to pay an official visit to Belarus. Today the program of the visit includes a meeting with the chairman of the Turkish Grand National Assembly [name indistinct]. Subsequently, the Belarusian delegation is to fly to Istanbul, where Alyaksandr Lukashenka will meet with representatives of Turkish business circles and visit a plant producing Mercedes buses. More details on this will be reported in subsequent information programs.

Belarus: Lukashenka, Chyhir, Bolshakov Discuss Border Agreements

WS2507082296 Minsk BELAPAN in English 0655 GMT 25 Jul 96

[FBIS Transcribed Text] Minsk, 24 July — A visit by the vice-premier of the Russian government, Aleksey Bolshakov, to Minsk came to an end on July 23. According to the visitor, during his meetings with President Alyaksandr Lukashenka and Prime Minister Mikhail Chyhir attention was focused on documents which are being prepared for the next session of the Executive Committee of the Belarusian-Russian Community. According to some information, the session is expected to be held in Minsk in early August.

Aleksey Bolshakov said that among the main subjects of the negotiations had been questions concerning the specific content of the documents about the Belarusian-Russian Customs Union, as well as about border control and interaction in guarding the common borders. The latter was the most complicated subject since the documents which had been under consideration by Belarusian and Russian government officials indicated the desire to form "common and united" border troops under a single commander-in-chief. However this would run counter to the Belarusian Constitution. According to a member of the Russian delegation, the Commander-in-Chief of the Russian Border Troops, Colonel-General Nikolayev, is to arrive in Minsk on August 3. His visit seems to be associated with the consideration of this complicated problem.

As for an increase in customs tariffs on imported goods, initiated by the Belarusian government, the Russian vice-premier said, "This is the most complicated issue for us. It is understandable that the whole tax policy should be improved and developed as this is usually done in a common economic space. That is why this question may be decided by the Executive Committee of the Belarusian-Russian Community only. Neither Belarus nor Russia is free to do this." Mr Bolshakov informed journalists that the problem of the so-called zero version of debt reconciliation had also been raised during the negotiations, but the parties had touched only on technical aspects of its implementation, for instance how mutual debts and claims should be formulated properly. As for the sizes of the debts, according to Mr Bolshakov, this problem was settled long before, and the parties did not revert to it.

Commenting on the Russian vice-premier's visit, Prime Minister Mikhail Chyhir named one more subject which had been among the main ones during the negotiations. It was about the provision of enterprises in Russian and Belarus, such as the Minsk tractor factory and the Homel farm vehicle production amalgamation "Homselmash," with orders. In his opinion, there is no need to import products analogous to those manufactured in the two countries.

The Russian vice-premier proved to be well informed of the scandals related to the Belarusian trade company "Torgexpo" and Makhmud Esambayev's fund. In this respect Aleksey Bolshakov said that there is a simple method to avoid such situations — to give no indulgences to anybody. "All organisations and firms should operate under a single law," he said.

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Tajikistan

Tajikistan: Tajik Cease-Fire Violated, Political Consultations Continue

MM2407142196 Moscow KRASNAYA ZVEZDA in Russian 24 Jul 96 p 3

[Report by Vitaliy Strugovets: "A Paper Truce...On Day Two After the Extension of the Cease-Fire Agreement Opposition Gunmen Attacked Government Troops"]

[FBIS Translated Text] Unfortunately the skepticism in our commentary on the extension of the cease-fire in the inter-Tajik conflict (see KRASNAYA ZVEZDA 23 July) was justified. On 22 July, or day two, the truce which was extended with such difficulty in Ashgabat was violated. But this was only to be expected.

On 21 July, literally a few hours after the agreement had been signed, United Tajik Opposition leader Khodzhi Akbar Turadzhonzoda accused government troops of launching an offensive on Tavil-Dara, the rayon center. Turadzhonzoda demanded the withdrawal of the Tajikistan Army subunits and stated that unless this happens the opposition will consider the agreement null and void. Despite official Dushanbe's statement that Tavil-Dara was under the government forces' control several days before the agreement was signed, it seems that nothing was able to save the truce. And once begun....

At 1930 hours on 21 July near Tavil-Dara opposition gunmen fired on a vehicle carrying Republic of Tajikistan Defense Ministry servicemen and two journalists. As a result around 15 people, including a colleague of ours from NTV, received injuries of varying degrees of severity. A Tajikistan Army armored group soon arrived and wiped out the enemy's weapon positions. On the same day a Tajikistan Army fortified post was shelled near Yezgand village — on the armed confrontation line between the government troops and opposition detachments. According to an ITAR-TASS report, there were deaths and injuries. During the night of 22 July, opposition armed formations attacked Republic of Tajikistan Army subunits near the village of Kalaykhuseyn. And at 0400 hours 23 July, intransigents began shelling the villages of Gurkham, Langar, and Gumur (in Tavildarinskiy Rayon) using rocket launchers, mortars, and firearms. At midday, when this report was being prepared for the press, KRASNAYA ZVEZDA was told at the Republic of Tajikistan Defense Ministry press center that the shelling was continuing.

The Tajikistan Defense Ministry press center also rejected the statement by Turadzhonzoda, one of the United Tajik Opposition leaders, that a government forces helicopter was shot down during armed clashes between government forces and opposition formations 20 July and 70 Defense Ministry men were killed. At the same time the press center confirmed that a government forces helicopter with air ambulance markings carrying humanitarian freight to the Tavil-Dara region did come under fire. According to Republic of Tajikistan Defense Ministry information, the military helicopter received some small shell holes but landed safely in the planned region. The Republic of Tajikistan Defense Ministry also stated that government forces are in the positions that they were occupying when the truce agreement was signed, are still controlling Tavil-Dara, and are not planning any redeployments in the Tavil-Dara region.

Incidentally, on 21 July a group of UN military observers arrived here to identify the line of contact between the opposing sides and monitor the implementation of the cease-fire agreement on the ground in accordance with the Ashgabat accords. No details on the UN military observers' actions have been received yet.

Meanwhile, despite the latest complication of the situation in the Pamir region, political consultations to find a settlement to the conflict are continuing. For example, Yevgeniy Mikhaylov, the Russian president's official representative in the Republic of Tajikistan, met with President Emomali Rakhmonov in Dushanbe 22 July. Zafar Saidov, the Tajikistan president's press secretary, did not rule out that the question of a meeting in Moscow between Emomali Rakhmonov and Said Abdullo Nuri, the warring sides' leaders, was discussed during the conversation.

According to well-informed sources, Yevgeniy Mikhaylov intends to fly to Afghanistan soon for a meeting with the Tajik opposition leadership.

Tajikistan: Situation in Tavil-Dara 'Very Complicated'

LD2407145596 Moscow INTERFAX in English 1447 GMT 24 Jul 96

[FBIS Transcribed Text] DUSHANBE, July 24 (Interfax) — The situation in Tavil-Dara, a town 200 kilometers east of Dushanbe, remains "very complicated," with 178 Tajik army troopers killed since the start of a large-scale operation there, Sergey Kuzin, a spokesman for the Tajik Defense Ministry, told Interfax Wednesday [24 July].

The opposition losses are also high, he said.

Kuzin did not say that government units had brought the town under full control.

Opposition fighters prefer to keep their headquarters and depots in villages, he said. The government units cannot

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use the air force or artillery against the villages where opposition fighters are deployed, Kuzin explained. The opposition fighters are using the villagers as a human shield, he said.

There are no more than 800 opposition fighters in Tavil-Dara, the Defense Ministry estimates. "These are migrating bands that prefer guerilla warfare," Kuzin said.

The opposition has hired mercenaries from Muslim countries to fight government troops in Tavil-Dara, a senior Tajik Defense Ministry official told Interfax Wednesday.

The Tajik intelligence has reliable data that citizens of Saudi Arabia, the United Arab Emirates and the Baltic countries as well as Afghanistan are fighting for the opposition, he said. There are also female sharp-shooters, former biathlon skiers from Belarus and Russia, among them, the official said.

The Tajik army units find it hard to fight the mobile opposition groups equipped with night vision equipment, Japanese portable radios and armed with portable rocket launchers, mountain artillery and chiefly Chinese-made small arms, he said.

Tajikistan: UN Observers Say Government Forces Violating Truce

LD2407121696 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 24 Jul 96

[FBIS Translated Text] The international communications center of the Islamic Movement of Tajikistan has reported that UN military observers, in conjunction with representatives of the opposition in the joint cease-fire monitoring commission, have examined the latest operations carried out by the regime's forces on Teppai Samarqandi hill. The area, which lies 10 km from Dushanbe, came under attack from the government forces after the cease-fire agreement was signed in Ashgabat, as a result of which the opposition side has sustained losses in men, and the population has sustained material losses.

The group of experts consider the government side to be responsible for this attack and for violating the cease-fire.

The representatives of the opposition have asked the government representatives to sign the protocol on the investigations, and have asked them to allow the opposition representatives to carry out further inspections in order [word indistinct] to establish what the representatives of the government did during the battle.

In his turn, a representative of the government, Colonel Ruziyev, said that the operation in Teppai Samarqandi was not in violation of the cease-fire but was an effort aimed at wiping out criminals, as he put it.

Tajikistan: Prime Minister Azimov, U.S. Ambassador Discuss Cooperation

LD2507064896 Dushanbe KHOVAR in Russian 1214 GMT 24 Jul 96

[FBIS Translated Text] Prospects for developing and deepening bilateral economic cooperation were touched on during the course of a meeting between Prime Minister Yahyo Azimov and Grant Smith, ambassador extraordinary and plenipotentiary of the United States to Tajikistan, on 23 July at the request of the U.S. diplomat.

The parties emphasized the need to establish direct links between companies, firms, and, in general, between the representatives of the business circles of both countries. In connection with this, the prime minister and Grant Smith discussed the possibility of organizing meetings of Tajik and U.S. businessmen.

In telling the ambassador about the course of economic reform in the country, Azimov paid particular attention to the course of implementation of the edicts of the president of Tajikistan to reorganize the agro-industrial complex and accelerate the process of privatization of state-owned facilities, which are extremely important for the entire reform movement in the Republic.

The parties noted with satisfaction the increase in the activity of the Central Asian American Fund in Support of Enterprise in the Republic of Tajikistan, in particular in allocating credits for construction of a canned food factory in Leninskiy District and other enterprises.

Deputy Ambassador Darya Fein [name as transliterated], who has been appointed head of the Tajikistan department of the U.S. Department of State, took part at the meeting.

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